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Russia: Yeltsin Telegram to Dudayev Sent Through Zavgayev's Office

LD0804211396 Moscow NTV in Russian 1800 GMT 8 Apr 96

[From the "Segodnya" newscast]

[FBIS Translated Text] [Correspondent] Long-promised news was expected from the district center of Shali, 20 km from Groznyy, today — the signing of an agreement guaranteeing safety and peace in this district. Representatives of local administrations are concluding such agreements with the Groznyy government with the participation of federal troop spokesmen. To be frank, such agreements do not change anything in the alignment of forces. In Shali, in particular, real power still lies with Dudayev's field commanders; although, formally, there is in the town a mayor appointed by Zavgayev's government.

An agreement was not signed today. However, there was a positive result — direct telephone communications were established between Shali and Groznyy with the help of federal forces. Talks are now being conducted by telephone.

The military have had to fulfill other functions over the past few days, too. That well-known telegram from President of Russia Boris Yeltsin to Dzhokhar Dudayev was actually handed over through military channels. The military scratched their heads for a long time over where they should find the intended recipient. As a result, they sent it to Doku Zavgayev's office. On Monday morning, Yeltsin's message to Dudayev was still at the first floor of the Chechen government building. Dzhokhar Dudayev, whose supporters today, for the first time in the past three weeks, once again gathered at the ruins of the presidential palace in Groznyy, as is known, are insisting on direct talks without an intermediary.

Russia: Chernomyrdin: 'Criminal' Dudayev Cannot Set Conditions

LD0804191596 Moscow NTV in Russian 1800 GMT 8 Apr 96

[From the "Segodnya" program by announcer Mikhail Osokin]

[FBIS Translated Text] It seems that the Russian leadership is finding it difficult to get used to the idea of talks with [Dzhokhar] Dudayev, all the more so since his stinging attacks against Moscow over the past few weeks met with just as stinging a response in Moscow. This evening Prime Minister Viktor Chernomyrdin stated that Dudayev cannot make any demands on the federal authorities as a condition for the beginning of talks. Our correspondent managed to find out details of the position of Prime Minister Chernomyrdin.

[begin Chernomyrdin recording] I did not hear these statements and don't even want to hear the statements of such people. He is a criminal who unleashed all of that, foisted it upon us, and is now trying to preach to us here. All of that is unacceptable to me. We will do everything that has to be done. It isn't a matter of personalities. What is at issue is an entire people, an entire region, an entire republic. We will do ...[pauses] It is our question. It is the government's question. It is Russia's question. These are our regions. And we will take all measures there, independently, all measures — political, economic, military — to settle the conflict. But if conditions are set, then what talk can there be of an outcome or of any results? [end recording]

Russia: Dudayev: 'Concrete Measures' Needed To End War

LD0804185096 Moscow NTV in Russian 1800 GMT 8 Apr 96

[From the "Segodnya" newscast]

[FBIS Translated Text] Chechen leader Dzhokhar Dudayev responded to the statements which are being made in Moscow today. He gave an interview to western correspondents in his shelter, evidently somewhere in the south of Chechnya. It seems that Dudayev is using delay tactics in replying to Moscow's proposals, including on talks with the mediation of Tatarstan President Mintimer Shaymiyev.

[begin Dudayev recording] The analytical center was tasked with analyzing the situation and with making proposals to react appropriately to the situation. Last night, the analysis was made. I heard all the versions which have been proposed, the possible consequences, the aims and tasks of the Russian side. And the question facing us now is to draw up at the State Defense Council concrete measures on the will expressed to put an end to the war. I personally have deep respect for Mintimer Shaymiyev who lead Tatarstan out of a deep crisis in its relations with Russia. But one thing is obvious: whoever wishes to act as mediator should guarantee that the agreement that is reached is observed, no matter what agreement is reached. [end recording]

Dudayev expressed doubt that Shaymiyev could guarantee this. At the same time, the leader of the Chechen separatists made it clear that the version of Shaymiyev's mediation was possible if his powers were backed up by written guarantees from the parliament of Tatarstan.

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Russia: Dudayev: Army, Security Ministries No Longer Obey Yeltsin

LD0804134996 Moscow INTERFAX in English 1152 GMT 8 Apr 96

[FBIS Transcribed Text] SOUTH CHECHNYA, April 8 (interfax) — Chechen separatist leader Dzhokhar Dudayev has blamed the Russian president's entourage for unleashing and continuing the war in Chechnya.

In a statement issued in south Chechnya on Monday, Dudayev, not responding to President Yeltsin's peace moves, called for a shake up of the Russian government as a measure which could also help stabilize the situation in Chechnya and Russia as a whole, our correspondent reports.

He says Yeltsin's entourage "openly discredits" the presidential decrees and as a result, the Russian army and security ministries no longer obey the Russian leader.

The statement also speaks of the existence of a third force seeking power in Russia whom Dudayev describes as "red and brown."

It is this force, he said, that manifested itself in carrying out bombing raids on Chechen villages whose residents signed peace agreements with Russian troops. Dudayev said the same force was behind the attacks on Gen. Anatoliy Romanov and Russian National Security Council secretary Oleg Lobov.

He named Moscow mayor Yuriy Luzhkov, retired generals Boris Gromov and Aleksandr Lebed, ex-Soviet President Mikhail Gorbachev among those who are able to confront the red and brown.

Russia: Dudayev Takes 'Pro-Yeltsin Attitude' Toward Talks

LD0804183696 Moscow INTERFAX in English 1802 GMT 8 Apr 96

[FBIS Transcribed Text] MOSCOW, April 8 (Interfax) — Chechen separatist leader Dzhokhar Dudayev is ready to talk "with any negotiator authorized by and loyal to Russian President Boris Yeltsin," according to Duma Deputy Konstantin Borovoy, who says Dudayev telephoned him late April 7 night.

"Dudayev is obviously taking a pro-Yeltsin attitude," the leader of the Economic Freedom party told Interfax in an interview.

Dudayev, according to Borovoy, said that "if Yeltsin is indeed on the list of those responsible for a military resolution to the Chechen conflict, Yeltsin is last on that list."

Dudayev, Borovoy said, believes that he could "solve all the problems in half an hour with Yeltsin, and there's no need for any overseas Maharajas." Dudayev is also ready to meet with any other official Russian representative, Borovoy said.

"We talked about the possibility of attracting Grigoriy Yavlinskiy for this task, if Yeltsin authorizes him for it, and Dudayev said he would have no objections," Borovoy said.

Dudayev also said he would like to see Duma deputy Gen. Boris Gromov, whom he "rates highly as a military professional," among the team of authorized negotiators, Borovoy said.

Dudayev reacted positively to the possibility of holding parliamentary elections in Chechnya before a referendum on its status, Borovoy said. This would be possible if all federal troops were removed from Chechnya beforehand, and "Moscow officially promised to abstain from military measures and international organizations guaranteed that Russia would be subject to the appropriate sanctions if they broke this promise," Borovoy said.

Dudayev has no objections to the participation of the Organization for Security and Cooperation in Europe in the talks. He is also ready to "leave the issue of war crimes outside the framework of the talks if the international community takes up this task," Borovoy reported.

Dudayev called Russian claims that Chechens are bombing the village of Shalazhi in Chechnya a "horrible provocation," Borovoy said.

Russia: Borovoy Gives Account of Conversation With Dudayev

LD0804202096 Moscow Radiostantsiya Ekho Moskvy in Russian 1608 GMT 8 Apr 96

[Interview with Russian Deputy Konstantin Natanovich Borovoy by unidentified correspondent; place, date not given — live or recorded]

[FBIS Translated Excerpt] [Correspondent] Let's meet our first guest right away — Konstantin Borovoy. Good evening, Konstantin Natanovich.

[Borovoy] Good evening.

[Correspondent] I think the whole world is aware of the reason why you are here; your conversation with Dzhokhar Dudayev, reactions to which have been heard not only in Moscow, but all over the country. Throughout the morning we were hearing the latest news which you were good enough to supply us with; thank you very much for that. I would like to start

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by asking you this: You said in your account that Dudayev was in pro-Yeltsin mood. What led you to that conclusion?

[Borovoy] Yes. All the international news agencies are now carrying that phrase. I switched on to Euronews this morning — I have Kosmos-TV television — and they focused on it as well. The whole mood of the appeal, and of the conversation in general, was that he was not only ready to talk to Yeltsin, ready to hold talks; it was a sort of response. Yeltsin had said he had a plan and that he wanted to hold talks; this was a reply to the effect that Dudayev was not only ready, but that he was also concerned for Russia's future and Yeltsin's future. He said a great deal about the red and brown traitors — slightly old-fashioned terminology — about people who not only do not support Yeltsin, but also are hindering him. You must agree that it is strange to hear the leader of a republic at war with Russia talking about Yeltsin's charm, or it may be just a U-turn. [passage omitted]

And perhaps Dudayev understands that not everyone in Russia wants peace talks. He can just see it. While we were speaking we could hear explosions. I asked where the noises were coming from and he said that the village of Goyskoye was being bombed. It was on the night of the 6-7 April. As you can see, Yeltsin is said to have ordered an end to military operations, but sadly the military do not want to stop them.

[Correspondent] Nevertheless, as I understand it, he does not blame the Russian president for the fact that bombing is continuing.

[Borovoy] He understands the situation in Russia. Furthermore, his statement makes a fairly detailed analysis. Perhaps not a very accurate one — he is not familiar with the situation in the Kremlin — but a detailed analysis of the situation in Russia in the transitional period, when there is a possibility of laws not being observed, when someone could seize power or refuse to obey the supreme commander in chief. He understands this. You must agree that for a leader of a country, which is at this very moment being bombed, to display such understanding is a sign of, let's say, intellect and unexpected broad-mindedness. [passage omitted: Borovoy criticizes Russian media for biased coverage of Chechen war]

[Correspondent] Let's return to your conversation. To what extent is Dudayev taking the current presidential elections into account?

[Borovoy] To a very large extent. During our conversation — by the way, virtually the entire transcript of the interview will be published in the edition of MOSKOVSKIY KOMSOMOLETS now going to print...

[Correspondent, interrupting] So it will be out tomorrow?

[Borovoy] Well, you can buy the newspaper today, it is already on sale, but basically tomorrow. Our conversation was effectively the start of talks. We discussed various fine details. In particular I asked him whether it was possible as a result of talks to separate things in the following way — first, of course, the withdrawal of troops, then elections to parliament, let's say, and only after the presidential elections in Russia, a referendum on Chechnya's independence. Because that is currently a very painful issue.

He said of course everything is possible and that can be a subject for talks. Furthermore, perhaps you know the Chechens had a very tough position towards war criminals. There was a time recently when they were demanding the immediate punishment of war criminals before talks could start. Now they are agreeing to delegate the investigation of war crimes committed on Chechen territory to international institutions. That is, to place this outside the framework of talks. So Dudayev displayed not only flexibility, but also a very obvious desire for talks. [passage omitted: asked why he thinks Dudayev trusted him, Borovoy says he is honest and independent of Yeltsin]

[Correspondent] Do you think Boris Yeltsin is open to the proposals? Or will he insist on a mediating mission of some sort?

[Borovoy] Everything depends on him. Dudayev has agreed to direct talks with Yeltsin in any form — here [in Moscow], there, by telephone, in a neutral country. He has agreed to meet any representative of Yeltsin who is trusted by Yeltsin and appointed by him, and who — the wording is interesting — will not betray Yeltsin. [passage omitted: Borovoy says many people these days try to remain on the side of both those in power and those coming to power]

[Correspondent] All right, did he name anyone specific whom he believes to be reliable in Yeltsin's entourage?

[Borovoy] No, he did not name any reliable people, but I think he was showing tact here and allowing Yeltsin to appoint those people. Although he said we do not need maharajahs as mediators to settle this crisis and hold talks. [passage omitted: Borovoy says again that everything now depends on Moscow; he answers a listener's question about Yeltsin's commitment to peace and talks about his decision not to back Yeltsin in the elections]

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Russia: Basayev Orders 'Execution Lists' of Chechen Figures

LD0804133696 Moscow INTERFAX in English 1305 GMT 8 Apr 96

[FBIS Transcribed Text] GROZNYY, April 8 (Interfax) — Chechen separatist commander Shamil Basayev, who led the raid on the southern Russian town of Budennovsk in summer 1995, has ordered his field commanders to prepare "execution lists" of the heads of administrations who have signed peace agreements with the Moscow-backed Chechen government and the Russian military.

A high-ranking military official told Interfax on Monday that the negotiating process has increased the number of people who support the Chechen government of Doku Zavgayev and made the Chechen separatists and their leaders reckon with the civilians' demands for rebel forces to leave their villages and towns.

"The rebels are losing support among local residents and are resorting to extremes and provocations. Basayev's order to prepare execution lists is an example," the official said.

He also said that the situation in the town of Shali in southern Chechnya has worsened, adding that a large group of rebels loyal to Chechen separatist leader Dzhokhar Dudayev is staying near the town.

Meanwhile, Shali residents are holding an anti-Dudayev rally and demanding that the town authorities sign a peace agreement with the government and the Russian military.

"Dudayev's entourage attaches great strategic importance to Shali as a stronghold; it is not accidental that Dudayev wanted to move Chechnya's capital there," the official said.

He believes that confrontation "without shooting" near the town "may develop into clashes with the federal forces, which the rebels will provoke themselves."

Russia: Chechens Ask Ukrainian Patriarch To Mediate With Russia

LD0804141596 Kiev UNIAR in Ukrainian 1130 GMT 8 Apr 96

[FBIS Translated Text] Kiev — The leadership of the No.6 region in the Chechen Republic of Ichkeria has sent a message to Patriarch Filaret of Kiev and all Rus-Ukraine. The message says, in particular, that in view of Russian President Boris Yeltsin's decision to begin negotiations with Dzhokhar Dudayev, president of Ichkeria, the leadership of the region appeals to the people of Ukraine in the person of Patriarch Filaret of Kiev and all Rus-Ukraine to perform a peacemaking mission.

The leadership of the region hopes that the high prestige of Patriarch Filaret will help settle the conflict and stop Russia's war against the Chechen Republic of Ichkeria.

The authors of the appeal requested that well-known Ukrainian politicians, people's deputies, and journalists be included in the peacemaking delegation.

Russia: Volskiy: Shaymiyev May Meet With Dudayev Envoy in UAE

BR0904100596 Rome LA REPUBBLICA in Italian 9 Apr 96 p 12

[Interview with Arkadiy Volskiy, chairman of the Russian Industrialists' Association, by Enrico Franceschini in Moscow; date not given: "Yeltsin's Envoy Will Negotiate With Chechens"]

[FBIS Translated Text] Moscow — Boris Yeltsin's appointed intermediary and an emissary of Chechen leader Dzhokar Dudayev could come together in the next few days on the "neutral" territory of the United Arab Emirates for an initial unofficial meeting that should mark the start of peace negotiations. This was disclosed by Arkadiy Volskiy, 64-year-old chairman of the Russian Industrialists' Association, former personal secretary to Andropov and Gorbachev, former Soviet negotiator in the ethic conflict in Nagorno-Karabakh, and a cunning old fox of Russian politics to whom Yeltsin turned in summer 1995 for the first negotiations with the Chechen separatists. Those negotiations lasted some months, promising a peaceful solution to the war, but then failed. Volskiy explained why in this interview with LA REPUBBLICA, revealing for the first time the terms of a possible compromise.

[Franceschini] Arkadiy Ivanovich, what do you think of the peace plan announced by Yeltsin 31 March?

[Volskiy] I support it. Many Russians criticize it, but I support it because it is a step in the right direction. The fact that Yeltsin has agreed to negotiate with Dudayev — despite the opposition of those who say "you cannot negotiate with a terrorist" — is a turning point. We had to find a way out of this blind alley; otherwise the war in Chechnya will never end. But the most important thing is not the peace plan but its specific implementation. Unfortunately in the days after the announcement of the plan the shooting and bombing continued, in contravention of the president's order to halt all military activities. And if the war continues, negotiations will be impossible.

[Franceschini] Last summer the negotiations that you conducted reached an advanced stage and seemed about to produce a political peace agreement, but failed. Why?

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[Volskiy] At one point I also thought that peace was close. There was no more fighting in Chechnya, and exchanges of prisoners and the surrender of weapons by the guerrillas had begun. But there were two key events that undermined our negotiations — the attack on the secretary of the Kremlin Security Council, Oleg Lobov, and that on General Romanov. After that, Russia suspended the negotiations. This, even though the attorney general's inquiry to identify the sponsors of the attack has not yet discovered a definite lead, has not proven that Dudayev or one of the other Chechen resistance groups was responsible. But even on the Russian side there were perhaps some who did not want peace.

[Franceschini] Moscow now seems prepared to concede a great deal to the Chechens, but not secession. You met with Dudayev last fall, in his mountain refuge in Chechnya: Do you think that he would be prepared to forego full independence?

[Volskiy] I think so. I want to hope so. The method for reaching a compromise is fairly simple. Dudayev was elected Chechen president in 1991, and his term of office ended in November 1995. The Chechen parliament's term of office has ended too. Moreover, Chechnya has no constitution because until 1991 there was the constitution of the autonomous Russian republic of Chechnya-Ingushetia, then Chechnya proclaimed independence and Ingushetia decided to remain part of Russia. In other words, Chechnya no longer has a legal basis even as an independent nation. It is necessary to elect a new parliament, which will formulate a constitution and submit it to the people in a referendum. It would be enough for Dudayev simply to declare a moratorium, a suspension of his demands for independence pending the election of a Chechen parliament and a referendum on the constitution. Then it would be the new constitution that would define Chechnya's status with respect to Russia.

[Franceschini] Dudayev keeps saying that he wants direct negotiations with the Kremlin, but Yeltsin has appointed intermediaries. Do you think that this is a valid decision?

[Volskiy] I think so, especially if, as I believe, the mediation is entrusted to Tatarstan President Mintimer Shaymiyev. He is a Muslim like Dudayev, and can present his Tatarstan as a model for Chechnya. Indeed, Tatarstan's constitution is entirely different from that of any other Russian republic. For instance, it states that Tatarstan is an associate member of the Russian Federation and that it is governed on the basis of international laws. That is a very special status. Many people may not like it, and in theory I do not like it: Imagine if Sicily were to announce that it was going to adhere to international laws instead of Italy's. But now it has been done and Yeltsin has accepted this situation rather than risk Tatarstan's secession, and Tatarstan now represents a useful precedent with regard to resolving the crisis in Chechnya. Even last summer, during the negotiations in Groznyy, many Chechens told me that the Tatarstan model might have suited them too. I am well acquainted with Tatar President Shaymiyev: He is a very intelligent and very able man. I know that in the next few days he may be leaving for the Arab Emirates, where he is due to meet with an emissary of Dudayev's for an initial unofficial meeting that would subsequently be followed by a more official one in Russia.

[Franceschini] Is it not too late for negotiations? After so much bloodshed, so many massacres, is it still possible to negotiate?

[Volskiy] There is no other solution. For 30 years Israel regarded 'Arafat as the number one terrorist, but then it negotiated with him; and Britain did the same in Northern Ireland. An understanding must be sought at all costs, a compromise between Russia and Chechnya. If peace is achieved, I am sure that Yeltsin will win the presidential election. Otherwise, I do not know.

Russia: Khasbulatov Ready To Mediate With Chechen Separatists

LD0904111496 Moscow INTERFAX in English 0908 GMT 9 Apr 96

[FBIS Transcribed Text] MOSCOW, April 9 (Interfax) — Former Supreme Soviet speaker Ruslan Khasbulatov voiced his readiness to join the efforts of Tatar President Mintimer Shaymiyev to mediate a dialogue between the federal authorities and Chechen separatist leader Dzhokhar Dudayev.

Khasbulatov, who is an ethnic Chechen, is sure the Tatar leader can achieve a great deal as a mediator, he told Interfax Tuesday, and that Shaymiyev's settlement plan aroused a positive reaction, not irritation from the separatists.

"Politicians accepted both by Moscow and Dudayev should act as mediators and Shaymiyev is one of them," Khasbulatov stressed.

He doubted the sincerity of the willingness of the Russian leadership to stop the Chechen war and said his personal mediation efforts half a year ago were actually foiled by the federal authorities.

In his opinion, the week following the announcement of President Boris Yeltsin's peace plan was marked by the escalation of hostilities.

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"Moscow's peace initiatives were accompanied by bomb attacks on peaceful communities. As a result the number of opponents is growing. New field commanders waging their personal war are appearing," Khasbulatov said.

He thinks the continuation of the trend may spread the conflict to the rest of the Caucasus in half a year.

The politician spoke for the unconditional withdrawal of federal troops from Chechnya and simultaneous negotiations with Dudayev as well as the field commanders waging their personal wars.

Russia: Mulino Garrison Placed on Alert After Chechen Threats

LD0804143796 Moscow NTV in Russian 1500 GMT 7 Apr 96

[From the "Segodnya" newscast]

[FBIS Translated Text] It is obvious that with the advent of spring the channels through which arms are delivered to the North Caucasus have become busier. In this connection, many observers are not inclined to underplay the danger of threats by [Dzhokhar] Dudayev's men to continue terrorist acts outside Chechnya. Our correspondents in Nizhniy Novgorod give a concrete example by way of confirmation.

[Correspondent] These leaflets were pasted up on the territory of the Mulino garrison of the 22d Army over a few days. They were mainly general threats, but there were more concrete ones which spoke about the base being seized and about schools and kindergartens being blown up. Some of the leaflets ended with Arabic script which has not yet been deciphered. Specialists claim that they are similar to leaflets which appeared earlier in Budennovsk.

Two divisions are deployed at Mulino garrison — a tank division and an artillery division with rich experience of serving in Afghanistan and hot spots. The military and their families form the backbone of the population. The command of the artillery division immediately said that it regards the leaflets as a silly joke by people who are either annoyed with them or with the local authorities for some reason or another and in no way links the appearance of the leaflets with the widely-known statements by Dudayev about possible terrorist acts in the center of Russia.

[begin Vyacheslav Roshchin recording, identified by caption as commander of the 34th Guard's Artillery Division] I think that much more harm could be done with less effort by attacking facilities other than a camp which is inhabited by highly trained military people who know how to defend themselves. [end recording]

[Correspondent] The special services are of a different opinion, therefore a commission was immediately set up in the garrison. As well as seeking those responsible for the leaflets, the commission drew up a plan for rebuffing the most likely versions for an attack on the camp. The commission was satisfied by the exercises carried out according to this plan. Moreover, round-the-clock patrols have been introduced in the garrison. Children are not allowed out in the streets after dark. Especially thorough checks are being carried out on the connections of the local Chechen community.

According to official information, there is no increased concentration of Caucasians in the vicinity of the garrison.

The Chechen version for the appearance of the leaflets is considered to be the most likely one, especially as the artillery division, which took part in the storming of Groznyy, received the first threats in Chechnya. The special services and the military consider it unlikely that the garrison will be captured and are directing their work more toward averting terrorists acts connected with explosions in the civilian part of the town.

Irina Preobrazhenskaya, Viktor Novikov, NTV television company. [video shows leaflets, camp, interview with official]

Russia: Federal Troops Free Vedeno in East Chechnya

LD0904105496 Moscow INTERFAX in English 0908 GMT 9 Apr 96

[FBIS Transcribed Text] GROZNYY, April 9 (Interfax) — During the past 24 hours federal troops have freed Vedeno in east Chechnya from separatist militants, according to a well-informed source in the Russian command in Chechnya.

"There are no large-scale hostilities at the moment and federal formations are clearing Vedeno," he said.

A group of 300 to 350 gunmen from Vedeno has moved to Shali.

"Shali is surrounded by federal troops and the militants have been told to surrender," the official said.

Two army servicemen hit a booby trap in near Orekhovo Monday, he told Interfax, and two more were wounded in militant attacks on Russian positions.

In Belgatoy and Benoy, militants' stores were discovered. Among other things they contained South Korean camouflage suits.

Suspected members of militant groups detained during the past 24 hours included Abkhazians, Ossetians and one Russian from Siberia in addition to Chechens.

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CIS: Iranian President Reaffirms Policy of Cooperation With CIS

MM0804113196 Moscow KRASNAYA ZVEZDA in Russian 5 Apr 96 p 3

[Report by Vadim Markushin: "Tehran Tries To Break Out of International Blockade"]

[FBIS Translated Text] Iranian President 'Ali Akbar Hashemi-Rafsanjani has reaffirmed his country's policy of comprehensive, long-term cooperation with Russia and the other CIS countries. He made this statement during a meeting with Kazakhstani Foreign Minister Qasymzhomart Toqayev, who was in Iran on an official visit to prepare, among other things, Nursultan Nazarbayev's visit there. Let me remind you that the Kazakhstani president has been invited, along with other heads of state, including Boris Yeltsin, to the opening ceremony of the Mashhad-Sarakhs-Tedzhen main railroad.

This main line will become for the countries of Central Asia the shortest and cheapest route to the Persian Gulf. It is already planned to enlarge it by constructing a second track. Other very important regional projects such as the construction of ports on the Caspian, modern highways, and two North-South branch oil pipelines through Iranian territory are also being examined. If these plans are successfully carried out Iran will be more firmly connected with its northern neighbors through economic links , which will also consolidate its political positions.

At the same time Tehran is seeking to enlist the support of certain EU members (Germany, France, and Italy), which, despite Washington's well-known hard line, are accomplishing their tasks in this area in step-by-step fashion. Perhaps European business circles are simply taking their example from their transatlantic rivals, because the latter continue, ignoring Washington's official "ideology," to supply goods, including military goods, to Iran by roundabout routes.

Of course, the Americans, who today spearhead the "crusade" against Islamic extremism, whose center is, to their way of thinking, located in Tehran, know full well that they will still have to play the Iranian card, since one of the world's largest stocks of oil and gas is located there. It also provides the means whereby the approaches to the Indian Ocean can be controlled. America's attempts to counter in every way their rivals' efforts to penetrate here are perfectly understandable therefore.

Russia is included among the rivals, of course. "Gentle" pressure has been and continues to be exerted. The Iranian question was broached by Secretary of State Warren Christopher during his recent trip to Moscow — linked, naturally, to the problem of international terrorism, which, incidentally, Moscow is seeking, along with everyone else, to resolve. However, not to the detriment of its real economic interests in Central Asia.

It is appropriate to note that 75 years ago, then as now during springtime, Moscow and Tehran, reaching an agreement on friendship, began to implement a new policy in the Near East. This was done to counter British domination and despite the opposition of pro-London circles in Persia; Russia sacrificed at the time certain of its material rights and recognized Persia's right to have its navy in the Caspian. On the other hand, it is generally believed to have achieved a marked increase in its influence in the region.

The Iranians, for their part, have a realistic view (which includes their long-term planning) of America's international clout, hoping to normalize their relations with Washington some day. Today, however, Tehran is not missing no opportunity to point out U.S. involvement in the very kind of action which the Americans themselves censure. So IRNA, citing "Afghan sources," has just reported that the Americans have delivered to southern Afghanistan a consignment of weapons for the Taleban waging war against the Kabul government.

CIS: Military Technical Committee Meets, Confirms Chairman

MM0904111996 Moscow KRASNAYA ZVEZDA in Russian 5 Apr 96 p 1

[Report by the press service of the Staff for the Coordination of CIS Member-States' Military Cooperation: "CIS: Military Technical Aspects of Integration"]

[FBIS Translated Text] A session of the Military Technical Committee of the Staff for the Coordination of CIS Member-States' Military Cooperation held in Moscow 3 April confirmed the committee's chairman for 1996 in the person of Lieutenant General Aleksey Moskovskiy, first deputy chief of armaments of the Russian Federation Armed Forces. A draft Overview of Military Technical Cooperation Among CIS Member States was discussed and adopted; this will be submitted to the Council of Defense Ministers in June 1996 for ratification. Other questions were also examined.

Representatives of the military departments of 12 CIS member-states plus experts of the CIS Interstate Economics Committee, the Russian Federation Ministry for Cooperation with CIS Member-States, the Russian Federation State Committee for Military Technical Policy, the Russian Federation State Committee for the Defense Sectors of Industry, and the All-Russia Institute for Intersector Information, and the president of the League

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for Assistance to Defense Enterprises took part in the session's work.

CIS: ITAR-TASS Carries Press Review for 9 Apr

LD0904054496 Moscow ITAR-TASS in English 0451 GMT 9 Apr 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW April 9 (Itar-Tass) — Follows a review of Tuesday's Moscow-based Russian newspapers dated April 9.

ROSSIYSKIYE VESTI on President Boris Yeltsin's speech at a congress of his supporters who advocate the re-election of Russia's first President for a second term.

"There are no abstract promises in the President's speech, in which he energetically and emotionally outlines the basic provisions of the election programme.

"The President sums up the past, analyses and evaluates the present, and defines specific steps for the coming months and, in the longer term, for the period until the year 2000 — the period when, Boris Yeltsin is convinced, the reform in Russian will be brought to fruition in the event of his re-election for a second term".

ROSSIYSKAYA GAZETA on Nikita Mikhalkov's remarks at the congress of the All-Russia Movement for Public Support for Boris Yeltsin.

Mikhalkov is of the opinion that "It is now a question of a radical change in the people's self-awareness, and return to those historical and cultural traditions which have been evolving for centuries".

The prominent film director believes that "the people's failure to re-elect Yeltsin for a second term would signify their helplessness, fussiness, the lack of historical will, and of statesmanly thinking and courage".

TRUD on Yeltsin's speech at the congress of his supporters.

The newspaper points out that there have appeared new emphases in Boris Yeltsin's reformist policy which he abides by.

"The individual and the family now come to the fore while society and the State are in the second place. This is a sure and attractive reference point, although it was clear to everyone for long".

IZVESTIYA on Bryansk Region Governor Vladimir Barabanov.

Under the rubric "The provinces. 68 days remain before the presidential elections", the newspaper runs an article which points out the Governor is preparing to hand the region in to the Communists in full." [punctuation as received]

In the opinion of the writer of the article, which is headlined "Barabanov votes for (Gennadiy) Zyuganov", "the Bryansk Region governor now manifests this desire still more actively, without concealing his intentions." The newspaper concludes that "there are wide gaps in the President's logistical support which the chiefs of regional administrations are called upon to provide".

KOMSOMOLSKAYA PRAVDA on a common currency of Russia and Belarus.

The newspaper carries an interview with President Alyaksandr Lukashenka of Belarus. In response to a question about the possible introduction of a common currency of Russia and Belarus, Lukashenka said "the bilateral treaty speaks of a common currency, not a single one. There is a difference.

"A common currency is something like the West European ECU, not the Russian rouble or the Kazakhstan tenge. We do not intend to give up either our own emission of money or independent foreign-trade activities, although we shall, of course, will be fixing our steps with each other," Lukashenka said.

KOMSOMOLSKAYA PRAVDA gives details of the air crash involving the IL-76 transport plane belonging to the Krasnoyarsk Airlines joint-stock company.

"The plane rammed into a cliff of Bystrinskiy mountain range at an altitude of about 900 metres, 41 kilometres from Yelizovo airport. Out of 9 members of the crew and 12 passengers, no survivors have been found".

Among possible causes of the disaster, the newspaper mentions the liner's being overloaded, as a result of which the plane ran out of fuel.

KRASNAYA ZVEZDA on Polish president's official visit to Russia.

Commenting on Polish President Aleksander Kwasniewski's first visit to the Russian capital as the Head of State, the newspaper points out as follows:

"Moscow welcomes Alexander Kwasniewski with a hope for a constructive dialogue, mutual understanding and the overcoming of the existing prejudices so as to finally make a stride into the future, away from the 'difficult common past'".

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Russia: Primakov, Canadian Foreign Minister Address News Conference

LD0804141196 Moscow Russian Television Network in Russian 1300 GMT 8 Apr 96

[From the "Vesti" newscast]

[FBIS Translated Text] Canadian Foreign Minister Lloyd Axworthy arrived in Moscow today on a one-day working visit. He held talks with his Russian counterpart Yevgeniy Primakov, at which a fairly broad range of issues was discussed.

[Correspondent K. Tikhonravov] At a news conference the Canadian and Russian foreign ministers informed journalists that they discussed issues of bilateral relations and global international problems. To a question put by a Western journalist as to whether Russia intends to follow Canada's example and to hold a referendum on Chechnya, Yevgeniy Primakov said the following:

[Begin Primakov recording] There are many international examples; there's the example of the United States which, for example, doesn't allow a single state to leave the union. With a referendum or without a referendum. [end recording]

[Tikhonravov] The ministers also discussed the situation in Yugoslavia, problems of European security, and the problem of NATO's eastward expansion. A lot of attention was focussed on preparations for the Moscow G8 summit on nuclear security which will take place 19-20 April.

Russia: Primakov Holds Talks With Canadian Counterpart

LD0804160696 Moscow ITAR-TASS World Service in Russian 1353 GMT 8 Apr 96

[By ITAR-TASS diplomatic correspondents Valeriy Sevrikov and Tatayana Selivanova]

[FBIS Translated Text] Moscow, 8 Apr — In the course of talks today, Russian Foreign Minister Yevgeniy Primakov and his Canadian colleague Lloyd Axworthy spoke in favor of increasing the United Nations' role in international affairs and a new democratic order, and against the development of separatist trends.

"Russia and Canada," said Yevgeniy Primakov, "are global countries which have both global interests and interests in various regions. Both countries are deeply interested in stabilizing the situation, in strengthening security, and in the smooth development of events in various regions."

The Moscow G-8 summit on nuclear safety to be held on 19-20 April will facilitate the development of these trends. According to the head of the Russian Ministry of Foreign Affairs, the forum "will be extremely important from the international point of view." The heads of states will discuss questions of the nuclear safety of nuclear power engineering, as well as issues of storing nuclear raw materials, their utilization, and the prevention of contraband.

Axworthy called another topic, connected with the situation in the former Yugoslavian republics, "a positive subject for discussion." The Canadian minister intends to utilize the experience of the head of the Russian Foreign Ministry in the course of his future trips to Zagreb, Sarajevo, and Belgrade to "do everything possible to support the peace process and its further development in this region."

In discussing questions of security in Europe the sides paid considerable attention to the problem of NATO expansion. In particular, the ministers were in favor of the interests of all states, including those of Russia, being taken into account, whatever the decision. Axworthy noted that this subject would also be discussed at the NATO council session at foreign ministerial level, which is to be held in Berlin in June 1996. The question of reviewing the present structure of NATO would also be on the session's agenda.

Primakov accepted the invitation of the Canadian foreign minister to visit Canada and to take part in the founding conference of the Arctic Council.

Russia: Premier, Canadian Minister Discuss Joint Nuclear Projects

LD0804164996 Moscow INTERFAX in English 1457 GMT 8 Apr 96

[FBIS Transcribed Text] MOSCOW, April 8 (Interfax) - Russia and Canada intend to run a host of joint projects in nuclear energy, Canadian Foreign Minister Lloyd Axworthy told journalists after his meeting with Russian Prime Minister Viktor Chernomyrdin Monday.

He did not reveal the specifics of the projects, but did note that they correspond to the goals and issues of the upcoming "Big Eight" summit on nuclear safety in Moscow.

The two officials also developed a number of specific issues in the transport and trade spheres raised at the meeting of Canadian Prime Minister Jean Chretien and Chernomyrdin at the end of last year, he said.

European political issues and the development of joint work in the Arctic were also discussed, Axworthy said.

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Russia: Canadian Minister Positively Assesses Chechnya Peace Plan

LD0804185196 Moscow INTERFAX in English 1802 GMT 8 Apr 96

[FBIS Transcribed Text] MOSCOW, April 8 (Interfax) - Canada is confident that the Chechen problem will be resolved by talks on the basis of the plan for settlement in Chechnya announced by Russian President Boris Yeltsin, Canadian Foreign Minister Lloyd Axworthy said at a news conference in Moscow Monday.

Axworthy said his meeting with Russian Foreign Minister Yevgeniy Primakov earlier in the day gave reason to hope so.

Axworthy cautioned against drawing parallels between separatism in Quebec and Chechnya. There is no unified template for handling separatism, he said.

Axworthy said he and Primakov had also discussed preparations for the coming summit on nuclear safety in Moscow in April and bilateral economic cooperation. They also exchanged opinions on a wide range of issues, including problems concerning bilateral border relations and problems of countries bordering the Arctic Ocean. Axworthy said his meetings could contribute to the creation of an Arctic Council.

The parties also agreed to conduct consultations regarding reforms in the United Nations and the rebuilding of former Yugoslavia.

Regarding nuclear safety problems contemplated during the meeting, Axworthy conceded that Russia and Canada still had differences in this area. However, he said he was confident that these problems would be resolved within the scope of the treaty on a comprehensive nuclear test ban.

With regard to plans for NATO expansion eastward, Axworthy said interests of European security and Russia's interests were both "vitally important." During the meeting, Primakov put forward new proposals concerning this issue which the Canadian government will consider, Axworthy said.

Russia: Polish President Visits Katyn

LD0804140296 Moscow Russian Television Network in Russian 1300 GMT 8 Apr 96

[From the "Novosti" newscast]

[FBIS Translated Text] Polish President Alexander Kwasniewski today paid his first visit to Russia. The president spent the unofficial part of his visit in Smolensk.

[Correspondent V. Vengrzhnovskiy] The main purpose of the visit was to pay tribute to the memory of the Polish officers, victims of the totalitarian regime who were executed in April 1945 outside Smolensk. Work is being carried out in the Katyn woods to set up the first Polish military cemetery on Russian territory.

Alexander Kwasniweski laid a wreath at the foot of the glorious cross which was set up at the site of a future memorial in memory of the victims of political repressions. Priests of various faiths attended a funeral service at the site of the execution of the Polish officers.

Polish President Alexander Kwasniweski, those accompanying him, and Anatoliy Glushenkov, governor of Smolensk region, laid wreaths at the foot of the memorial. The Polish president paid tribute to Generals Bronislaw Bogatyrewicz and Myacheslaw Smorvinski, who were executed at Katyn by NKVD [Russian state security] bodies, together with the officer corps of the Polish Army.

The Polish president did not make a statement for the press, but it is known that during his official visit to Russia Alexander Kwasniewski intends to discuss with the supreme leadership the progress of the work on setting up a memorial at the Polish military cemetery at Katyn and to raise again the subject of compensation from Russia to Polish families who suffered from the Stalinist repressions.

Russia: Polish President Interviewed

LD0804211896 Moscow Russian Television Network in Russian 1805 GMT 8 Apr 96

[Interview with Polish President Aleksander Kwasniewski by A. Samylin in Warsaw, date not given — recorded]

[FBIS Translated Text] [Samylin] During the presidential elections in Poland, I witnessed fierce political struggle. As a presidential candidate, you did not want to confront Lech Walesa and did not respond to his quite sharp statements. Was that an election maneuver or your personal and political credo?

[Kwasniewski] Both. I am open to dialogue whereas Walesa is inclined to use conflict in the political fight. In my view, it's always better to find accord than indulge in confrontation. It's in my psychology or nature, if you like. I believe that any politician should act precisely this way. The Poles are tired of conflicts, they would like to live and go about their business in a calm situation. And this is what they expect from politicians. The electors accepted my motto — let's elect our future. Everybody would like to have confidence in the future and feel support from the authorities. People need support, not

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confrontation. Confrontation and endless fight have lost their meaning, although I admit that they were needed earlier in order to solve the problems of society's progress. But all this was earlier, whereas nowadays the protracted arguments and disputes in which Lech Walesa indulges are unjustified.

[Samylin] Having won the elections by a small margin, you said that you would like to become a president of the entire people. Have your hopes come true and is it realistic on the whole?

[Kwasniewski] In a democratic system any elections show that citizens have different views. And if, say, they are to choose between two candidates, naturally, the feelings of voters vary. The same happened in our country, too, and the results of the presidential elections in Poland were little different from voting in the United States or France, for instance. My striving to unite society on the basis of common Poland has two important points. First, we should understand that there are tasks which we simply must solve all together, such as issues of foreign policy, economic growth, stronger democracy and the struggle against poverty. I believe that the Poles are prepared to back this approach. The second point is finding a solution to controversial domestic political issues. We can't get away from them but constructive dialogue is needed anyway, not an exchange of blows but dialogue. And here, it seems, citizens of my country agree with me. After all, we have to make a long path towards this Poland of the future. We must be patient. We have already made the first steps, and I am happy that already 64 percent of the Poles today approve of my performance as president. Taking into account the fact that 52 percent voted for me in the elections, this figure shows an obvious rise in confidence.

[Samylin] Trade turnover between Poland and Russia rose by 35 percent over last year. On the one hand, this is a lot. Nevertheless, neither Warsaw nor Moscow are satisfied with the level of economic relations. In your view, how could ways toward upgrading them be found?

[Kwasniewski] Poland's economy is on the rise now. Our exports are growing in every direction. So I am convinced that Polish-Russian cooperation will develop successfully too. But it should be built, in my view, on the basis of independent economic entities, such as private enterprises, commercial structures and joint-stock companies. Let them trade and cooperate with one another. The state's role in this process should be reduced to a minimum. The government and the president can simply help in developing an efficient system of payments and financing. After all, the bulk of today's trade turnover is paid for in cash. People have to carry enormous sums with them and, naturally, live in fear for their safety, which is absolutely intolerable. [90-second break in reception]

[Kwasniewski continues] President Havel has said that he could hardly see Russia as a member of this organization. He is right. You're a huge country with its own nuclear potential. The problem should be tackled from a realistic point. I therefore believe that while building a new security structure NATO expansion should be considered too. Other concepts rather belong to theory.

I'd like to underline an important point. Most Russians regard the North Atlantic alliance as a brain-child of the Cold War, as a system or a bloc directed against Russia. We're not interested in such a bloc. We don't want to join NATO to oppose Russia. Poland does not want to join this organization because it's afraid of democratic Russia. The palace in which we are now sitting hosted a roundtable in 1989 which initiated the new processes in Europe, when barriers between states started crumbling and a prospect for creating a single and common Europe emerged. It's important to know what place Ukraine, Belarus, and Russia will take in European integration. I'm convinced that NATO expansion will promote this integration and that this organization will have the best relations with Russia: It's sufficient to mention Bosnia where NATO, Polish, and Russian servicemen are cooperating successfully. We're jointly responsible for protecting Europe against conflicts, jointly solving problems, and defending democracy and human rights. I'd like to wish my Russian colleagues to cast a new glance on NATO and reject the stereotype which sees NATO expansion as yet another system of blocs in the continent. Poland doesn't want at all to see Europe divided again.

[Samylin] Very important Polish-Russian documents are being prepared for your visit to Moscow. Mutual trust and the stability which you've just mentioned are needed for them to become reality. What is your view of future relations with Russia?

[Kwasniewski] We would like Russia to be our good neighbor and partner. Even at the time of the presidential election campaign I said more than once that Poland had two priorities: integration with European structures and good relations with its Eastern neighbors — Russia, Ukraine, Belarus, and Lithuania. And this is our goal.

My visit to Moscow will be an impulse for an active political dialogue. Our links are now much better than, say, a year ago. Talks with [Russian Foreign] Minister [Yevgeniy] Primakov have already been held in Warsaw while heads of the Polish Interior Ministry and national defense have visited Moscow. I am to continue the

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dialogue. Economic cooperation has good prospects. Also, I count on expanding cultural ties, especially as our culture has always been close to Russia, while Russian culture holds a very strong position in Poland. Exchange between young people should be expanded.

Naturally, there are quite a few difficult moments in the history of relations between our countries. They are linked with the divisions of Poland and Stalinism. But we remember your soldiers who died liberating Poland. I represent a generation which can look at all these historical events without bias or prejudice, look in the future. And those who are younger than me are capable even more to understand that we need each other. I would like this idea to be prominent during my entire visit to Moscow.

The Finnish president said once that friends should be found closer to home but enemies, further away. I think that now that the world has become better and is not divided as it used to be, there is every reason to formulate our Polish political concept in the following way: we want to have friends both far away and near by.

Russia: Kwasniewski Visit Expected To Focus on NATO

MM0904085696 Moscow KRASNAYA ZVEZDA in Russian 9 Apr 96 p 3

[Report by Yelena Surovtseva: "Moscow-Warsaw. The 'NATO Question' Again at the Center of Attention"]

[FBIS Translated Text] Today sees the beginning of an official visit to the Russian Federation by Aleksander Kwasniewski, president of the Polish Republic. This is his first visit to Russia as head of state. Moscow hopes that it will serve to bring the two countries closer together after the noticeably protracted period of cooler relations that was observed in the early nineties. Moreover, Aleksander Kwasniewski himself has also repeatedly stated his intention to use his powers to step up traditional contacts with Poland's eastern neighbor.

In recent years our countries have managed to achieve more or less notable successes perhaps only in the trade and economic sphere. Russia continues to remain one of Poland's main economic partners. Last year the total volume of Polish-Russian trade turnover was over $3 billion. And this in the total absence of even minimal support from the state! So this achievement is by no means thanks to the policy of Poland's ruling circles, but rather, in spite of it. It is noteworthy that private firms, which in Poland are considered the main driving force in the development of economic cooperation with the Russian Federation, account for 70 percent of trade with Poland's Russian partners.

Despite these relative successes, there is no disputing the fact that the level of economic cooperation today does not correspond to the two countries' possibilities. Even the gross figures do not enter into any comparison with the volume of Poland's trade with the former USSR, which amounted to $16-17 billion per annum. Today there are many obstacles on the path of the further development of bilateral economic contacts. Moreover, the overwhelming majority of Russian and Polish trade partners are not linked by shared capital, which in principle does not rule out the likelihood that even today's contacts, which are, to put it mildly, far from ideal, could be severed at any moment.

Polish-Russian military and military-technical ties are in a still more pitiful condition. It would be more exact to say that since 1993 they have simply not existed. And this, despite the fact that 90 percent of all the combat equipment with which the Polish Army is equipped is Soviet-made. Only last week did some hopes for the resumption of contacts in the military sphere appear in the shape of a statement by Stanislaw Dobrzanski, the Polish Republic defense minister, who was visiting Moscow, about his country's corresponding interest in this matter. An intergovernmental agreement on mutual deliveries of arms and military equipment and on providing military services, signed last week in Warsaw, should give some impetus to cooperation in this sphere.

It is no secret that today Poland's leaders are focused not on their former "big brother," yesterday's friendship with whom is described here as mere "communist propaganda," but exclusively on the West, on whom all hopes of partaking in the common fruits of European civilization are pinned. This is happening because people in Warsaw believe that socialism has demonstrated its total worthlessness as a system, and so has the country which for long years was the personification and transmitter of this regime. Here they forget the not unimportant fact that it was due not least to this country's — Russia's — position that the current changes became possible in Poland. However, as the saying goes, you cannot force someone to love you.

The focus of attention at this Russian-Polish summit will undoubtedly be the problems of safeguarding European security. The role of NATO and the prospect of that bloc's eastward expansion will also be on the agenda. The sides' positions on this range of questions have long been well known in principle. The Polish leadership never tires of stressing that the country's intention to join the North Atlantic alliance is not directed against neighboring Russia. Moreover, NATO is made out to be virtually some kind of peacekeeping operation pursuing exclusively humanitarian and educational goals.

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Yet the reality looks quite different. And the point here is by no means the efforts of some forces to artificially make a bugaboo of NATO, as Mr. S. Ciosek, Polish Ambassador to the Russian Federation, complains. Today every schoolboy knows that NATO is by no means a political organization of European states, but a military bloc with all the ensuing consequences. Indeed, Poland, as one of the more likely candidates for the alliance, is not situated at the other end of the planet, but just a few hours' drive from Moscow, and very near to Kaliningrad Oblast. Incidentally, it is evidently this proximity to Russia that explains the extraordinary generosity of the leadership of the North Atlantic bloc, which in the event of Poland's admission intends to spend in that country the lion's share of all funds earmarked for the development of the military infrastructure of all the East and Central European states. And although the prospect of NATO's expansion is hardly imminent, it is important for our countries to dot all the i's right now by holding a frank and constructive dialogue.

...On the eve of his visit to Russia A. Kwasniewski noted that our people's "share a difficult past — at times heroic, and at times tragic." To overcome the negative historical memory is an exceptionally subtle and delicate task. Our countries will require a little more time and mutual effort on this road. However, there is no disputing that this task could become less painful if it were not periodically complicated by various — deliberate or otherwise - - tactless mentions of the past, as happened not so long ago in connection with the blatantly anti-Polish sallies of a certain Russian so-called deputy.

Moscow welcomes Aleksandr Kwasniewski in a spirit of hope. Hope for a constructive dialogue and mutual understanding. For the overcoming of existing prejudices and biases. So that we can finally take a step away from the "difficult common past" toward the future.

Russia: Zyuganov Has 'Thorough Talk' With Kwasniewski

LD0904085696 Moscow ITAR-TASS in English 0812 GMT 9 Apr 96

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] MOSCOW, April 9 (Itar-Tass) — Leader of the Communist Party of the Russian Federation Gennadiy Zyuganov told Itar-Tass today that he had a "thorough talk" on Monday evening with Polish President Aleksander Kwasniewski, who is currently paying an official visit to Russia. He said that they had discussed "all the problems pertaining to the political developments in Russia and to the balance of forces in the country".

According to Zyuganov, the Polish leader told him about his trip to Smolensk region. The sides also exchanged views on the development of Russo-Polish relations.

Zyuganov recalled that this was his third meeting with the Polish President. The two previous ones took place in the Swiss town of Davos during the World Economic Forum.

The leader of the Communist Party of the Russian Federation censured the Moscow television for misinforming the public by its Monday allegation that Aleksander Kwasniewski would not meet him.

Russia: Yeltsin, Poland's Kwasniewski Disagree on NATO Expansion

LD0904100696 Moscow ITAR-TASS World Service in Russian 0912 GMT 9 Apr 96

[By ITAR-TASS correspondent Andrey Surzhanskiy]

[FBIS Translated Text] Moscow, 9 Apr — "On the issue of the possible expansion of NATO, Russia and Poland are sticking to their viewpoints," Russian President Boris Yeltsin told journalists in the Kremlin today after the Russian-Polish talks.

Replying to journalists' questions, the Russian leader voiced the hope that Russia and NATO can "find some alternative way of settling differences and reaching agreement between Russia and the North Atlantic Alliance."

"I am not very hopeful about this, but all routes must be used," Boris Yeltsin added.

Polish President Aleksander Kwasniewski noted for his part that for Poland this problem "is merely a continuation of the routine measures toward European integration begun in 1991." "Poland does not want to be in a NATO against Russia and does not want to be a frontline country in the new Europe," he stressed.

NATO, according to Kwasniewski, "could become a pillar of European security in a bloc-free Europe."

The Polish president arrived in Moscow on an official visit on Monday.

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Russia: Yeltsin Calls For Further Cooperation With Poland

LD0904102296 Moscow ITAR-TASS in English 1015 GMT 9 Apr 96

[By Andrey Surzhanskiy]

[FBIS Transcribed Text] MOSCOW, April 9 (Itar-Tass) — Russian President Boris Yeltsin today told journalists after talks with his Polish counterpart Alexander Kwasniewski that "as concerns NATO's possible enlargement, Russia and Poland continue to stick to their differing opinions."

Responding to questions from journalists, the Russian President expressed the hope that Russia and NATO would "find an alternative solution to their differences and reach an accord."

"My hope is not great but all means must be used," the Russian president added.

President of Poland Alexander Kwasniewski said that for Poland, the problem "is only another step towards European integration which is began to make in 1991."

"Poland does not want to be in NATO against Russia, it does not want to be a frontline country in a new Europe," President Kwasniewski said.

According to him, NATO can become a bulwark of European security in a bloc-free Europe.

The Russian President said the Polish head of state had "a good attitude to Russia and is determined to promote good cooperation in all fields."

According to Boris Yeltsin, his talks with Kwasniewski centered around cooperation both in bilateral relations and in the world arena.

"We agreed on all points with one exception," Yeltsin said with reference to the NATO expansion issue. "It is very important because our relations have gone through a period of decline and both countries found that unsatisfactory," the Russian head of state stressed.

"Our common determination to cooperate actively will do good to both countries," the Russian President said.

Russia: Chernomyrdin: Moscow Almost Ready for G-8 Summit

LD0804211496 Moscow ITAR-TASS in English 2053 GMT 8 Apr 96

[By Gennadiy Yezhov]

[FBIS Transcribed Text] MOSCOW, April 8 (Itar-Tass) — Russian Prime Minister Viktor Chernomyrdin on Monday [8 April] said Russia was practically prepared for hosting a G-8 nuclear summit scheduled for April 19-21.

Chernomyrdin spoke after visiting the Nuclear Industry Ministry and meeting its head Viktor Mikhailov.

In the premier's words, the summit itinerary will soon be discussed with President Boris Yeltsin.

"At this meeting, Russia wants to show what we are able to do now and what we are working on with the future in view. Russia has something which the others are a long way from having," he said.

The premier stressed that nuclear security will be the major focus of the meeting.

"We hope to have efforts of scientists of the whole world pooled in Moscow in order to achieve this goal (complete nuclear security) and work out a joint programme," Chernomyrdin said. He gave to understand that closing down nuclear plants is the way to solve the problem.

The premier ruled out that Russia will seek Western aid to cope with the aftermath of the Chernobyl tragedy.

"This is our problem and we are not going to ask for any financial aid to solve it. What concerns the plant, this question will be raised by Ukraine," he said.

Russia: Panel Prepares for Ratification of Agreements With CIS

MM0804123796 Moscow RABOCHAYA TRIBUNA in Russian 5 Apr 96 p 3

[Unattributed report: "Laws Also Being Integrated"]

[FBIS Translated Text] Moscow — The Federation Council Committee for CIS Affairs is elaborating a program of measures for legislators to implement Russia's strategic course with the CIS states. Committee Chairman Oleg Bogomolov stressed that this course approved by the Russian Federation president is based on ensuring top-priority relations with Commonwealth members in order to achieve the main aim of policy in the region — the creation of an integrated association of sovereign states capable of taking a fitting place in the world community.

The series of measures includes, in particular, questions of the ratification of agreements between CIS members in the sphere of economic activity, environmental protection, crime-fighting, and social and humanitarian policy. This year around 100 such agreements concluded by various executive organs may be submitted to the Federal Assembly. The ratification of a highly important agreement on mutual recognition of rights and regulation of property relations is currently next in line.

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Russia: PRAVDA Cites Congress' Concern at Alleged 'Election Pact'

MM0904100996 Moscow PRAVDA in Russian 9 Apr 96 p 3

[Report by Vladimir Shelkov: "An Explanation Is Demanded of Clinton. The U.S. Congress Wants To Obtain From the President a Record of His Talks With Yeltsin"]

[FBIS Translated Text] Washington, 8 Apr — The press service of N. Gingrich, speaker of the House of Representatives of the U.S. Congress, telephoned the PRAVDA bureau in Washington in order to fax a copy of a letter sent to the White House by a group of prominent Republican congressmen. It was clear from the letter that the scandalous affair of how, while at the conference in Egypt on combating terrorism, the Russian and U.S. presidents spoke frankly about mutual support for each other during the election campaigns in the two countries will still have a sequel.

THE WASHINGTON TIMES learned of the exchange of opinions during that conversation between the two leaders from a confidential memorandum containing an account of Clinton's and Yeltsin's statements. We have already reported on that secret document. Briefly, the essence of the talks was this: The heads of state concluded with each other, as it were, a "pact of reelection" for a second term.

The publication of such risque materials created a big furor. The U.S. press reported that T. Pickering, U.S. ambassador to Moscow, had been summoned to the Russian Ministry of Foreign Affairs: He was asked to explain how it could happen that the subtle and by no means innocent pre-election subtext of an apparently routine conversation suddenly found itself turned inside out and presented to universal view. Poor ambassador. Why should he listen to rebukes from the Russian side, if you cannot get at anyone in Russia itself or make them indignant with reports on Egyptian gatherings? Pickering probably realizes that he was made to cover the distance from his embassy to Smolenskaya Ploshchad only for form's sake.

Things are different in the United States itself. Here the President, who is himself so vexed at the publicity for the matter that he asked the FBI to conduct an investigation and to ascertain the source of the leak of information about the secret talks, will not be let off the hook so simply. For several days now no newspaper has appeared without materials on the subject of the "reelection pact." Now even the Republican majority in Congress, to judge from the letter received by the PRAVDA bureau, seriously intends to get to the bottom of this matter.

The letter was signed by three influential representatives of the Republican Party: B. Gilman, H. Hyde, and W. Clinger, who respectively head the International Relations Committee, the Judiciary Committee, and the Government Reform and Oversight Committee in the House of Representatives. "In recent days," their message to the President states, "quite a lot of materials have appeared in the press, surmising that you and Russian President Boris Yeltsin have reached an agreement to support each other's election campaigns." The authors voiced alarm at the fact that "the U.S. President's policy on the election in Russia might be subject to internal party political considerations."

The letter goes on to state that the committee chairmen intend to verify the extent to which the press reports tally with reality. To this end they asked the president to submit to Congress no later than 19 April a number of confidential documents that are in the executive's possession.

The papers requested include a file containing "reports, thoughts, and an analysis and description" of B. Clinton's 13 March discussion with B. Yeltsin in the Egyptian city of Sharm al-Shaykh. The congressmen want to take a look at the documents prepared for the U.S. President on the eve of that meeting, containing the questions which he was recommended to broach during it. The letter contains a request also to show Congress all the documentation relating to the telephone conversation which the two leaders had 13 January this year.

Replying to the charges against him, President Clinton declared that his administration will not interfere in Yeltsin's election campaign, since the United States "must not take a stand on elections being held in other countries." As for the request to place a number of documents at the disposal of Congress, White House Press Secretary M. McCurry promised that the administration will study this possibility and, if possible, satisfy the legislators' curiosity.

At the same time many people here believe that the congressional committees will never succeed in getting even a sidelong look at papers which contain exclusively curious information. In its attempt to keep everything secret the administration will refer to national security interests and to its own prerogatives as the executive power, which has the right not to report all details of foreign policy to the legislators.

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Russia: Arms Allegations Cast Doubt on U.S. 'Sincerity' Over Bosnia

MM0904090796 Moscow TRUD in Russian 9 Apr 96 pp 1,6

[Report by Viktor Borodich: "New 'Irangate'? LOS ANGELES TIMES Claims That Iran Supplied Weapons to Bosnia With U.S. Knowledge"]

[FBIS Translated Excerpt] Belgrade — The LOS ANGELES TIMES claims that two years ago the White House head gave the "green light" to a large-scale secret operation to move Iranian arms to Bosnia's Muslim government troops, thus breaching the international embargo on military shipments to participants in the hostilities in this former Yugoslav republic.

The article reprinted by Belgrade's leading newspapers says that in early 1994 Clinton used secret diplomatic channels to approve a plan proposed by Croatian President Tudjman for an Iran-Bosnia airlift to ship arms to Muslim government forces. Within a month several thousand tonnes of firearms, mortars, grenade throwers, antitank guns, and munitions arrived in Bosnia by this means. The Croatian side requested mediation at the highest level and there is every indication that it received one-third of the weapons shipped to Bosnia.

The article in the LOS ANGELES TIMES did not come as a great surprise to Washington's European allies, much less to the Bosnian Serbs: Both had long since thought that the Americans might be involved in military shipments to the Muslims. [passage omitted]

Over the last few months arms shipments to Bosnia have become a regular occurrence, according to experts in Balkan affairs. According to the international press, the Muslims have received at least eight "aerial deliveries" per month. The airlift was only authorized after the first U.S. soldiers appeared in Bosnia as part of the multinational forces engaged in the implementation of the Dayton agreement and official Washington began trying to get the Muslims to expel Islamic legionnaires from the country.

Representatives of the U.S. Administration have flatly denied and are still denying even the slightest hints of their involvement in the illegal transfer of arms to the Bosnian Muslims. "If we had agreed to this," R. Holbrooke, former U.S. mediator in the Balkans, said in particular earl, this year in an interview with BBC Radio, "under the law on secret operations the president would have had to inform the Congress and that would have leaked to the press.... If there were any aircraft in Tuzla — and I have heard this said — they were certainly not U.S. aircraft."

It is now hard to say with certainty whether the LOS ANGELES TIMES article has any direct bearing on events of two years ago in Tuzla. What is more, formally speaking, Holbrooke was right to say that there were no U.S. aircraft. Just as there was no direct U.S. violation of the embargo on arms shipments to Bosnia — it was, after all, not they but the Iranians who armed the Bosnian Muslims. Nevertheless the article in the Californian newspaper does cast a shadow of doubt over the objectivity of the U.S. approach to the Bosnian settlement and, to some extent, over the sincerity of the policy pursued by Washington, which has launched a crusade against Islamic terrorism.

Russia: U.S. Party Differences on ABM Issue Eyed

MM0804112096 Moscow PRAVDA in Russian 4 Apr 96 p 3

[Article by Vladimir Shelkov: "Undermining ABM Treaty. Bill on Development of U.S. National ABM Defenses Submitted to U.S. Congress"]

[FBIS Translated Text] Washington, 3 Apr — As the U.S. presidential election campaign gains momentum, the range of issues on which Democrat and Republican Party candidates will conduct the fiercest debates is taking shape. One of these issues is America's defense from nuclear ballistic missile attack.

The Democrats and President Bill Clinton's administration think that the U.S.-USSR ABM Treaty, which has been in existence since 1972, promotes strategic stability and, in conjunction with the existing agreements curbing the nuclear arms race, properly ensures U.S. national security. As for terrorists or "out-of-control states" — as Washington calls countries with governments that it finds undesirable — possibly using mass-destruction weapons against the United States, on the basis of available intelligence data the White House thinks that these potential enemies will not have the technical capability to deliver nuclear warheads to U.S. cities for another 10-15 years. And an ABM "umbrella" over the country can start to be developed, as planned, in 2003.

The U.S. Republican Party, however, wants to bring that date forward, accusing the Democrats of disregarding the interests of the country's security. In the draft military budget for this fiscal year Congress, both houses of which have a Republican majority, was already planning to allocate money for the deployment of an ABM defense system. In this connection Bill Clinton vetoed the draft and the final budget contains no provisions regarding the implementation of the Republican demands, which in many respects chime with the notorious "Star Wars" program, as the press once dubbed President Reagan's Strategic Defense Initiative, that is, the plans to

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create a space-based shield over the United States to counter nuclear missiles.

The events of the last few days show that the Republicans have no intention of giving up. A bill on the creation of U.S. national ABM defenses has just been submitted to the House of Representatives and the Senate. This document calls for a system that would protect America if ballistic missiles were launched against it by any of the "out-of-control states" and also in the event of an accidental or unauthorized use of nuclear weapons by such recognized missile powers as Russia and China.

What will this system comprise? It is planned that it should incorporate land-, sea-, and space-based interceptors. An important role is allocated to ground radar. But the costliest and most ambitious part of the project involves the creation of space-based patrol stations and a series of near-earth ABM guidance and command installations.

The Republicans' plan admittedly contains an extremely significant flaw. Development of the planned system would constitute a blatant violation of the ABM Treaty, as indicated by opponents of "Star Wars" within the United States itself. However, that too is easily rectifiable, according to the authors of the bill. There is no need even to overtly scrap a fundamental international document and elicit a negative response from a weakened partner — Russia — and the world community.

The Republicans are suggesting that everything should be done in a civilized manner. As a start quietly enter into talks about changing the provisions of the ABM Treaty and revise it in such a way that the development of a national ABM system would no longer look like international piracy in the eyes of the Russians and the world. If the negotiating partners bridle, they should be allowed to consider their position for a year. At the end of 12 months, in the absence of the requisite results for the United States, the administration and the Congress should begin consultations on the United States' unilateral withdrawal from the treaty. There you have a nice constructive proposal!

When they submitted their proposals to Congress, the Republican bosses — Newt Gingrich, speaker of the House of Representatives, and Bob Dole, Senate majority leader — laid it on thick in painting a picture of the tremendous nuclear danger that will loom over the country if it does not create an ABM defense system. At the same time the Clinton administration's cool stance on the question of a U.S. ABM defense system was branded as virtual disregard for national security interests.

Bob Dole, who has virtually secured the Republican Party presidential nomination, said that the incumbent President "is refusing to defend America, preferring to rely on the false protection of the ABM Treaty left over from the Cold War era." However, while advocating the speedy creation of a new system, the senator admitted that it will cost the U.S. taxpayer plenty. The U.S. military budget will have to be increased as a result.

So, if the Republican Party does indeed intend to use the issue of creating an ABM system as one of the cornerstones of its election campaign, another indispensable element in Bob Dole's speeches to voters should be a request for them to tighten their belts.

What lies in store for Russia in this situation? The whole postwar history of Soviet-U.S. relations has been defined by mutual pursuit of parity. And since both sides were extremely successful in this, the world has seen relative stability. Unless Russia takes appropriate steps, the current proposals being put forward by the leadership of the U.S. Republican Party may considerably redistribute the balance of forces in America's favor.. However, few people in Moscow's corridors of power feel such disquiet today....

Russia: Russian, U.S. Physicists To Devise New Nuclear Control

LD0804135696 Moscow INTERFAX in English 1152 GMT 8 Apr 96

[FBIS Transcribed Text] MOSCOW, April 8 (Interfax) — Russian and U.S. nuclear physicists have agreed to pool their efforts to create a new control and accounting system for fissionable materials.

In addition to the Russian side, the project will involve the Livermore and Los Alamos nuclear laboratories in the United States, Gennadiy Pshakin of the Obninsk-based Institute of Physics and Energy said at a press conference in Moscow on Monday.

Pshakin said the new system will operate in a real time mode and track the movement of all fissionable materials inside the Obninsk institute. Similar work is now being conducted in five other nuclear centers across Russia.

"We are taking all measures to prevent the theft of nuclear materials, but we cannot completely rule out such a possibility at this point," Pshakin said.

He said the new system will be modeled on the U.S. counterpart, which is based on the need to eliminate two threats - external and internal threat.

Pshakin noted that Russia is now considering the possibility of compiling a plutonium register, which

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would keep track of plutonium from extraction to disposal.

Institute director Anatoliy Zrodnikov said that the major obstacles in the way of the project are a lack of funds and the loss of personnel.

He said the institute's staff had shrunk from 10,000 to 6,000 people since 1988. The institute has also suspended a number of programs to develop nuclear power plants for spacecraft.

Russia: Military Aid to DPRK Ruled Out Even 'Theoretically'

MM0804142496 Moscow IZVESTIYA in Russian 9 Apr 96 p 1

[Report by Maksim Yusin: "Pyongyang Leaves Korean Peninsula on Brink of New War. Moscow Believes Disaster Awaits North Korea in Event of Armed Conflict"]

[FBIS Translated Text] Last weekend the situation on the Korean Peninsula deteriorated sharply. Pyongyang, which stated at the end of March that it was unilaterally breaking off the Armistice Agreement that ended the war between North and South 43 years ago, sent troops into the DMZ between the two states.

The DMZ, which stretches across the entire peninsula, formally remains the front line, since the war has not officially ended. North Korean propaganda periodically threatens to deliver a crushing blow to the "Seoul puppets" and to liberate the South Korean working people laboring under the yoke of the American occupiers.

The 38th Parallel, which divided the warring armies in 1953, is just 50 km from Seoul, putting the South Korean capital in a very vulnerable strategic position. In the event of an armed conflict 1 million DPRK servicemen would face 650,000 southerners and a 37,000-strong U.S. corps.

Under the Armistice Agreement, which has been declared a "pitiful scrap of paper" by Pyongyang, neither side is entitled to send more than 35 of its servicemen into the DMZ — and they should be armed only with light firearms.

In three days (5-7 April) the North Koreans violated the border regime on three occasions — each time increasing the number of servicemen entering the DMZ. On Friday there were 130, and by Sunday there were 180, armed with artillery and mortars. The provocations were accompanied by psychological warfare — loudspeakers tried to persuade South Korean soldiers to cross over to the side of victorious socialism, mercilessly branding the "imperialist aggressors" from Washington and the criminal Seoul regime.

Pyongyang's actions caused alarm not only in Seoul, Washington, and Tokyo, but also in Moscow and Beijing, which had until recently been virtually the only allies of North Korea. Answering an IZVESTIYA question about his attitude to recent events on the Korean Peninsula, Deputy Foreign Minister Aleksandr Panov recalled that back at the end of March the Foreign Ministry had stated its "concern" about Pyongyang's desire to tear up the accords on the status of the DMZ. According to the deputy minister, Russia recognizes that the Armistice Agreement is obsolete, but it insists that it be observed "until such time as new documents safeguarding security on the peninsula have been drawn up."

IZVESTIYA's interlocutors on Smolenskaya Square [site of Foreign Ministry] admit that Pyongyang has started playing a very dangerous game. Moscow is trying to influence North Korea's leaders, calling on them to show restraint. But if Pyongyang once again moves into a conflict with Seoul and Washington, then military disaster awaits the DPRK, the Foreign Ministry believes. We were clearly given to understand that Moscow is not even theoretically considering the idea of providing military assistance to its former ally.

Despite the fact that armed forces in both North and South Korea have been placed on heightened alert, the likelihood of an open conflict is not very high. According to Russian diplomats in Seoul, life in the city is continuing as normal. Unlike 1994, when there was the crisis over Pyongyang's nuclear program, the inhabitants of the South Korean capital are not yet rushing to the stores to buy up necessities.

In the opinion of most experts, the DPRK is unlikely to undertake direct aggression. Judging by everything, Pyongyang's leaders have a different goal. By provoking tension they are aiming to force the United States to enter direct peace talks. Hitherto the Americans have refused to do so, believing that peace with Pyongyang should be concluded not by them but by Seoul. But the North Korean authorities are refusing to talk with the "puppet regime." The timing of the provocation is no accident — Bill Clinton arrives in Seoul 16 April and the U.S.-North Korean nuclear nonproliferation talks begin three days later.

There is also a theory put forward by the press and not so actively supported by specialists. It claims that the failure of the harvest in North Korea has brought about a desperate situation, the country is on the brink of famine, and the authorities, in an attempt to avoid social upheaval, are trying to redirect the people's anger against an external enemy.

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Russia: Border Guard Fires Warning Shots Over Japanese Trawlers

LD0804183896 Moscow INTERFAX in English 1802 GMT 8 Apr 96

[FBIS Transcribed Text] MOSCOW, Apr 8 (Interfax) — A Russian border guard ship opened warning fire on April 7 near the South Kuril island of Tanfilyev to make three Japanese fishing vessels leave Russian territorial waters.

Rear Admiral Sergey Skalinov, deputy commander of Russian border troops naval forces, told Interfax Monday that "border guards had to open fire after all other means of influencing the intruders had been exhausted."

He did not rule out that the number of attempts by Japanese fishermen to violate Russian sea borders may increase. According to him, on some days up to 200 Japanese ships approach the brink of Russian territorial waters.

Russia: Volskiy: 'Advantageous' Deals Signed During Japan Trip

MM0804124896 Moscow RABOCHAYA TRIBUNA in Russian 5 Apr 96 p 2

[Report by Artem Simonov: "From Contacts to Contracts"]

[FBIS Translated Text] Russian and Japanese business circles' second meeting has ended in Tokyo. The Russian delegation was led by Arkadiy Volskiy, president of the Russian Union of Industrialists and Entrepreneurs. On arriving in Moscow he said that it had proved possible during the talks to sign a number of advantageous agreements and also to agree to strengthen ties between the two countries' businessmen and actively enlist Japanese investment in the Russian economy.

Arkadiy Volskiy also said that an international exhibition entitled "Technology From Russia" will be held in Rome in mid-April on the initiative of the Russian Union of Industrialists and Entrepreneurs. In all, 250 enterprises from 69 Russian cities will exhibit various inventions in the field of space, medicine, aviation equipment, and metallurgy. All the technologies are unparalleled.

Touching on domestic Russian affairs, A. Volskiy backed B. Yeltsin's position on the Chechnya issue and also said that he has decided not to run for the Russian presidency.

Russia: Russian Deputy Foreign Minister Views Relations With Iran

NC0804120496 Moscow Voice of Russia World Service in Persian 1500 GMT 6 Apr 96

[Report on an "exclusive" interview with Russian Deputy Foreign Minister Albert Chernyshev by Voice of Russia correspondent Mikhail Baryshev; place and date not given—Chernyshev's remarks—recorded in Russian with a superimposed Persian translation—are contained within quotation marks]

[FBIS Translated Text] Albert Chernyshev said: "Iran is Russia's [word indistinct] and neighbor of several centuries. In the history of the two countries there have been various phases—both good and bad. In the past decade the two countries' progression has not been equal. But we can now say with satisfaction that the prospects for Russian-Iranian relations are good, especially in economic and political relations.

"In this connection I would like to refer to the major principle Russia pursues in its ties with Iran. Our country opposes the isolation of Iran in the system of international relations that America demands. We believe we can cooperate with Iran. We are doing that now and will continue to do so.

"If any disagreements or misunderstandings emerge in Russian- Iranian relations, we will explicitly and overtly tell our Iranian colleagues. But, recently in particular, such problems have not arisen. We have joint interests in cooperating to solve problems."

Answering our correspondent's request to list the best fields of Russian-Iranian cooperation, Chernyshev said: "There are vast possibilities for our cooperation. The prospects for economic cooperation, especially after the visit by Russian Deputy Prime Minister Oleg Davydov, are good. During his visit the two countries' mutual financial problems were solved."

Chernyshev added: "Unfortunately, current Russian-Iranian trade does not conform with the two countries' economic potential. But we will increase our efforts.

"Cooperation on the construction of the Bushehr Nuclear Power Plant is continuing successfully. As the Russian diplomat said: There is much [word indistinct] that Russia is helping Iran manufacture nuclear arms. But I would like to stress that such criticism is [word indistinct] and baseless and (?those who issue such criticism) know [words indistinct]. We do not want another nuclear country near our borders. Iran knows this. [Words indistinct]. Iran understands our views.

"The Bushehr Nuclear Power Plant will be built in line with every international norm and law and under

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the strict control of the International Atomic Energy Agency. The construction of the nuclear power plant is beneficial, both for us and for Iran. This is why we will continue this. We will also continue our cooperation in other fields."

Deputy Foreign minister Chernyshev concluded: "Relations between Russia and Iran are not aimed at hostility toward third countries. We would like these relations to be a significant part of international efforts to establish an atmosphere of peace and security in the region."

Russia: Foreign Ministry Official: Estonian Relations 'Not Normal'

LD0804182096 Moscow INTERFAX in English 1732 GMT 8 Apr 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, April 8 (Interfax) — Officials in Moscow believe that Russian-Estonian relations are "not normal."

"Russia may be satisfied with its relations with Lithuania and, to an extent, with Latvia, but not with Estonia," Sergey Prikhodko, chief of the Latvia, Lithuania and Estonia division in the Second European Department of the Russian Foreign Ministry, told Interfax.

"While with Lithuania and Russia the list of differences or outstanding issues is not increasing and even tends to decrease, in the case of Estonia the Russian experts have to say that negative potential is accumulating," he said.

Prikhodko said that this has become "a stable, very noticeable trend in the Russian-Estonian relations."

The reason is the consistently anti-Russian foreign policy pursued by Tallinn, he said.

Since the withdrawal of Russian troops from Estonia in the summer of 1994, bilateral relations have noticeably deteriorated, Prikhodko said. "Numerous specific positive gestures made by Russia remain unanswered and, what is more, we feel pin-pricked and occasionally the interests of Russia as a great country are overtly slighted," he continued.

Prikhodko noted that "our Estonian counterparts often pull propaganda stunts attracting the world community and try to talk with Russia through mediators who have not been empowered to play this role. Later this is projected in a wrong light on the bilateral relations."

Moscow has been taking and will take steps to put an end to this negative trend, he said. "We know that the Estonian business community and culture figures are interested in having the cooperation between our countries expanded and contacts with Russia restored. But, unfortunately, there is no political will on the part of the Estonian authorities," Prikhodko emphasized.

The position of the Russian-speaking population in Estonia has not improved and this is the major cause of Russia's concern, he said. "Our view is shared by numerous international experts," Prikhodko added.

In his words, "Moscow believes that the position of a large number of people or a bracket of the population is more than a bilateral issue. In this sense Russia intends to continue attracting the attention of the public opinion to this issue and use international levers such as the U.N., the OSCE [Organization for Security and Cooperation in Europe], the Council of Baltic Sea States and others."

At this stage he was unwilling to speak of any kinds of pressure to be brought to bear on Estonia because this is up to the Russian government, but Russia has a right to use the entire arsenal of tools existing in international practice and regulated by international law, he said.

"Naturally, any military levers or steps are not on the agenda, but every country has a right to choose from the set of generally accepted levers. Our choice will be dictated by the attitude of the other side towards us," Prikhodko explained.

Russia: Russian, Kyrgyz Power Systems To Be Integrated

MM0804130896 Moscow RABOCHAYA TRIBUNA in Russian 5 Apr 96 p 6

[ITAR-TASS report: "Integration of Systems"]

[FBIS Translated Text] Russia and Kyrgyzstan have agreed on the phased integration of the two countries' energy systems. An agreement to this effect has been signed in Bishkek between the Kyrgyz Government and the leadership of the "Integrated Energy System" Russian Joint-Stock Company.

The document envisages the introduction of a unified policy on the production, transfer, and distribution of electricity, the creation of joint ventures, and also the joint elaboration of legislative documents to coordinate tariff policy in respect of electricity and thermal energy.

During the talks representatives of the "Integrated Energy System" Russian Joint-Stock Company expressed willingness to provide Kyrgyzstan with highly efficient equipment as well as provide it with personnel skilled in the construction of hydroelectric power installations.

The document envisages the possible transfer to the Russian side of a major block of shares (around 48 percent) in Kyrgyzstan's electricity generation complex.

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Political Issues

Russia: Signatures for 20 Presidential Candidates Collected

LD0804170096 Moscow INTERFAX in English 1457 GMT 8 Apr 96

[FBIS Transcribed Text] MOSCOW, April 8 (Interfax) — Signatures in support of another 20 presidential candidates have been collected and documents prepared for submission to the Central Electoral Commission, the Central Electoral Commission told Interfax with reference to reports from the candidates' action groups.

Among the candidates are Chairman of the Kemerovo regional legislative assembly Aman Tuleyev, State Duma deputies Svyatoslav Fedorov and Aleksandr Lebed, and entrepreneurs Sergey Mavrody, Artem Tarasov and Andrey Zavidiya.

The collection of signatures in support of 19 candidates, among them Governor of the Nizhniy Novgorod region Boris Nemtsov, leader of the Russian Union of Manufacturers and Entrepreneurs Arkadiy Volskiy, leader of the Working Russia movement Viktor Anpilov and leader of the Democratic Choice of Russia party Yegor Gaydar, has been terminated and their registration documents will not be presented to the Central Electoral Commission.

Six candidates have informed their action groups that they will not run for president. These are Commander of the Far Eastern military district Viktor Chechevatov, State Duma deputies Petr Romanov, Konstantin Borovoy, Boris Gromov and Boris Fedorov, and member of the Constitutional Court Valeriy Zorkin.

Three candidates have collected the required number of signatures, but have not presented their documents to the Central Electoral Commission, because they have not yet decided whether they will run for the presidency. These are leader of the Derzhava (Great Power) movement Aleksandr Rutskoy, State Duma Deputy Stepan Sulakshin and Chairman of the National Association of Russian Trade Unions Aleksandr Alekseyev, the Central Electoral Commission reports.

Currently, the Central Electoral Commission has registered three presidential candidates: Gennadiy Zyuganov, Boris Yeltsin and Vladimir Zhirinovskiy. It has denied registration to businessman Vladimir Bryntsalov.

The Central Electoral Commission has received signature lists from ex-President of the former Soviet Union Mikhail Gorbachev, leader of the Yabloko election bloc Grigoriy Yavlinskiy and Head of the International Fund for Economic and Social Reforms Martin Shakkum.

Russia: Rutskoy Withdraws From Election Race To Back Zyuganov

LD0904115696 Moscow INTERFAX in English 0908 GMT 9 Apr 96

[FBIS Transcribed Text] MOSCOW, April 9 (Interfax) — In a statement forwarded to Interfax on Tuesday, leader of the nationalist movement Derzhava Aleksandr Rutskoy refused to be registered as a presidential candidate and to hand over signatures collected in his favor.

He took this decision not to avoid difficulties, but to submit to the will of the majority and support the common candidate from the nationalist bloc, Communist Party leader Gennadiy Zyuganov, Rutskoy pointed out.

He wants to "give the common candidate the opportunity to win, and stop the protracted ordeal, outrage upon the country and people," Rutskoy said.

The Derzhava leader urged his supporters, comrades-in-arms, army friends, Afghan war veterans and all Russian citizens to back Gennadiy Zyuganov at the presidential elections.

Earlier Rutskoy told Interfax that 1,300,000 signatures had been collected in his support.

Russia: Leftist Leader Anpilov Not To Run for Presidency

LD0804141096 Moscow INTERFAX in English 0905 GMT 8 Apr 96

[FBIS Transcribed Text] MOSCOW, April 8 (Interfax) — The movement Working Russia does not intend to bring the lists with signatures in support of its leader Viktor Anpilov to the Central Electoral Commission for his registration as the movement's candidate for Russian president, Anpilov declared in an interview with Interfax today.

"The main task for the opposition now is to persuade Russians to vote for the single candidate from Gennadiy Zyuganov's bloc of popular patriotic forces," Anpilov said, urging other opposition candidates to withdraw from the election campaign and help Zyuganov to win the June presidential ballot.

According to Anpilov, the Working Russia and other left-wing organizations will hold rallies on May 1 and 9 to call for an end to the unpopular regime in Russia.

The Working Russia has raised about 800,000 signatures in Anpilov's support, its press service has reported.

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Russia: Three Presidential Candidates Withdraw From Race

LD0504175896 Moscow ITAR-TASS in English 1641 GMT 5 Apr 96

[By Igor Belskiy]

[FBIS Transcribed Text] MOSCOW, April 5 (Itar-Tass) — Three presidential candidates said they would not seek election on June 16.

Thus, military commander in the Russian Far East Viktor Chechevatov, head of Russia's Officers' Union Stanislav Terekhov and General Boris Gromov announced their decision to stop electioneering.

Chechevatov said he rejected his candidacy in favour of incumbent president Boris Yeltsin. Terekhov called on his potential voters to support "the single patriotic candidate, (Communist leader) Gennadiy Zyuganov."

Besides, Terekhov said he would run for Moscow deputy mayor.

Russia: Lebed Interviewed on Elections, Chechnya

LD0804120696 Moscow NTV in Russian 1700 GMT 7 Apr 96

[Studio interview with presidential candidate Aleksandr Lebed by Yevgeniy Kiselev — live; from the "Itogi" program]

[FBIS Translated Excerpt] [Kiselev] According to statistics from the Central Institute for the Study of Public Opinion and Ramir, another authoritative sociological service, which we aired in last week's "Itogi," Aleksandr Lebed has moved into third place in the presidential race behind the favorites Gennadiy Zyuganov and Boris Yeltsin, pushing Grigoriy Yavlinskiy into fourth place. Aleksandr Lebed is here on our program today, live on the air. [passage omitted]

Tell me, please, the figures I have just mentioned that we broadcast last week testify that about 9-10 percent of the electorate would vote for you. Do you reckon that is enough to go through to a second round?

[Lebed] Of course not, a lot of work needs to be done.

[Kiselev] How will you work? How will you get together the percentage of the vote you need?

[Lebed] The work has to be done in stages here. First of all, we need to get over the first hurdle, the Central Electoral Commission. I am preparing for that. About 2 million signatures have been collected ready to be processed and submitted, so we do not have any repetition of what happened with Vladimir Bryntsalov's registration, for example. [passage omitted: Bryntsalov was refused registration]

[Kiselev] Two million signatures have been collected, did you say?

[Lebed] About 4 million altogether, but there are a lot of rejects.

[Kiselev] [passage omitted] Will you announce your election manifesto after you have submitted the signatures to the Central Electoral Commission? For the moment you are keeping quiet about your main election program.

[Lebed] Of course. [passage omitted]

[Kiselev] If one talks in terms of the days to go before the elections, there are 70 days left.

[Lebed] So — three weeks before.

[Kiselev] Right, I will make a note of talking to Lebed three weeks before the elections and see what he has prepared for the finishing straight.

Aleksandr Ivanovich, you published an article in NEZAVISIMAYA GAZETA on 3 April, in which you, in effect, said it is necessary to achieve total military victory and eliminate those who are organizing terror — namely Dzhokhar Dudayev, Shamil Basayev, and Aslan Maskhadov. Have I got that right?

[Lebed] Not quite. There is a level of general misunderstanding here. I did indeed say that they should be eliminated, but there is a different subtext here, a different idea. The Army must not be set up. The first time, you remember, on 26 November 1994, the tanks burned the town from cover, and the defense minister disowned his own soldiers and officers. Then, he said the job could be finished with one regiment in two hours flat. After many days of bloody fighting, the Army got to the foothills and almost squeezed them out — and then halt, go back! I personally know of no better way to demoralize an army.

And now the same story is repeating itself.

It is incumbent upon the country's political leaders to think very carefully before issuing orders. However, if the order is given, then it has to be borne in mind that the Army cannot fight until the elections, until midnight, until Friday evening or morning — it can fight until victory. It cannot just be stopped like a pair of boxers given the order: break — even then the referee sometimes has to separate them by force. Things do not happen like that.

I have gained the firm impression that beginning in 1994, all kinds of sweet-talking officials around the president have been trying to set up the president, and have managed it: Let us resolve the Chechen problem

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fast; let us seem to gain victory and raise your image. And they did so. [passage omitted: reads note from Defense Minister Grachev dated 1992, saying that he did not understand Lebed's response]

We must put an end to the lies on a state-wide scale. This whole thing stinks. According to the official statistics, there are 38,500 dead. I am personally inclined to believe the unofficial figure of over 50,000.

[Kiselev] [passage omitted] Is it indeed evident that in the last week, the Army was given the order to advance, blockade, and wipe out Dudayev's forces?

[Lebed] That is evident.

[Kiselev] Are we to understand that this combat task was not fully carried out? Did it need to be carried out fully?

[Lebed] I have already written about this. Some sort of objective needed to be set — victory. Either that objective should be set, or the job should not be started at all. That is the way things should be done. [passage omitted]

[Kiselev] What is happening now? Now we are seeing the concepts of troop operations and special operations being juggled about.

[Lebed] Something very unpleasant indeed is going on now, regrettably. Nobody understands. The grouping in Chechnya does not understand. The officers and generals of the General Staff, and the officers and generals of the North Caucasus Military District do not understand. About 30 percent of them make no bones about it, asking out loud where they are to turn their gun barrels next. Another 30 percent are afraid to talk about it, but they still think it. Very bad things are happening. You can read about it in the press. I simply know the mood at the grass roots.

The Army must not be treated like this. May I remind you that in 1993 there was a period when the main politician in the country was the commander of a tank platoon [Aleksandr Rutskoy], not even a tank regiment. Whichever way he turned his 125-mm political arguments, that was the political line that resulted. One can only guess what would have happened had he turned them the other way. Now wise advisors are doing everything possible to get those gun barrels deployed. Given that our society is now polarized into red and white, there is a very real chance of getting a civil war, from which we would simply be unable to extricate ourselves. We would disappear as a state. [passage omitted: analysis of fragments would reveal who is responsible for bombing raids over Chechen villages]

[Kiselev] OK, so there is a war on, there are different sides. As a military man who knows about these things, can somebody, on his own initiative and without asking the generals in Moscow, simply put an aircraft up to revenge his comrades, and go off and drop bombs over some village or other?

[Lebed] He can indeed. But that is not one man, there has to be some sort of conspiracy. The commander and air controller have to know, not just one man on his own.

[Kiselev] Could something like that be the case now in the village of Shalezhi?

[Lebed] It is unlikely, but it could be.

[Kiselev] Even if there is very little probability, it is nevertheless a symptom of a great misfortune, that the Army is starting to live on its own, so to speak, and is no longer under command.

[Lebed] In such wars an army always starts to live on its own, it is an independent organism. Wars like this, on the very third day, if not before, acquire an element of popular revenge. [passage omitted on examples of revenge]

The more bombings, the more ruined settlements, and the more people killed, the more serious, fired-up grown men will start to fight — but not for Dudayev. I am sure that more than half of them do not have any interest in Dudayev. They will fight for their own. If somebody came onto my land, Russia that is, I would not accept any conditions. There can be none, you understand. Until the last occupier has been thrown out of our land, no conditions! That is how it should be, and that is how they are acting.

[Kiselev] Aleksandr Ivanovich, after you wrote your article in NEZAVISIMAYA GAZETA — a tough article, you will agree — it came as a surprise to many people to find you at the rally organized by Yabloko on Pushkin Square yesterday. You were on the platform alongside not only Yavlinskiy and Mikhail Gorbachev, but also Konstantin Borovoy and Valeriya Novodvorskaya.

[Lebed] You probably know what I said there. I delivered a speech in defense of the Army. That is the sorest issue for me, above all other political matters. [passage omitted]

[Kiselev] Because of that you are prepared even to stand alongside people with whom, to judge from that same article, you have no particular sympathy?

[Lebed] I went along to say what it was that is causing me pain. Sorry, but I am not interested in who was standing next to me. I said my piece.

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Russia: Gaydar Interviewed on Presidential Elections

WS0504122496 Warsaw POLITYKA in Polish 30 Mar 96 pp 40-41

[Interview with Russia Democratic Choice leader Yegor Gaydar, by Krystyna Kurczab-Redlich; place and date not given: "Set of Bad Candidates"]

[FBIS Translated Text] [Kurczab-Redlich] **When Boris Yeltsin announced his decision to run for the presidency in the forthcoming elections, you condemned him publicly, saying it was a mistake, and you refused your support. Why?**

[Gaydar] Because Yeltsin is weak. If Gennadiy Zyuganov of the Russian Federation Communist Party and, let us say, Ivan Ivanovich Ivanov from anywhere met face to face in the second round of elections, the latter would more likely succeed. In a case like that people would vote against the communists. But, if Zyuganov and Yeltsin are to compete, I am afraid it is the communists who will most probably win.

[Kurczab-Redlich] **Indiscriminate comparison of Polish and Russian post-communists in the Moscow media upsets and surprises. It is like comparing a panda with a grizzly bear.**

[Gaydar] Unfortunately, Englishmen, Frenchmen and Americans also confuse them. Actually, there are some similarities between my country and Poland: economic crisis, foreign debts, bankruptcy as a point of departure, and painful reforms necessary to overcome the crisis — and society's great disappointment with both presidents. But here the similarities end: the East European parties are decidedly evolving toward social democracy, whereas we are dealing with an imperial party! With imperial dimension, imperial domination. Hence, over here the collapse of the socialist empire has resulted not in a drift toward social democracy, but toward national socialism.

[Kurczab-Redlich] **Imperial thinking characterizes not only communists. Everybody I asked about the possibilities of an eastward NATO expansion responded with resentment and anger.**

[Gaydar] Scaring children with NATO is a typical trick of the Russian nationalists — extremists and national socialists. I represent that part of the Russian political spectrum which desires a long-term alliance with the stable democracies of the West. NATO is no potential threat to Russia, it is not an anti-Russian intrigue. However, this is not to mean that NATO should not take Russia's interests into consideration.

[Kurczab-Redlich] **The latest public opinion polls show a certain advantage of communist power opponents (34 per cent) over its advocates (31 percent).**

[Gaydar] But we are in a clumsy situation. We believe that the candidacies of Yeltsin and Yavlinskiy are a serious tactical mistake.

[Kurczab-Redlich] **Nevertheless, you recently accepted an invitation to talk with the president.**

[Gaydar] We cannot afford to give up dialogue. Yeltsin is responsible for a lot of evil. Chechnya — to begin with. We have therefore specified conditions which would allow us to support him. We want him to stay away from people who discredit him, for instance Defense Minister Pavel Grachev.

[Kurczab-Redlich] **Will this bring the Chechnya nightmare to an end?**

[Gaydar] The Chechnya problem will not be solved by any personal change. But society needs to believe that the president desires peace.

Since he has put forward his candidacy, he should give it a chance. He managed to block a candidate who was more likely to win. The same refers to Grigoriy Yavlinskiy. Last year, in May, we set up an alliance. Had he not, for unknown reasons, revoked the agreement after 48 hours, he would certainly have been leader of the democrats today. But instead — just like Yeltsin — he is to blame for the ill feelings against him. His collusion with the communists in the Duma just added to it. At a recent party conference, when I tried to convince my colleagues not to exclude cooperation with Yavlinskiy, they answered with irritation: Yeltsin's moves are unpredictable, but after all he is president. That equals power. But to support such an irresponsible man as Yavlinskiy?

[Kurczab-Redlich] **Whose candidacy would be better?**

[Gaydar] A detailed analysis conducted by Russia's Democratic Choice has pointed to two very different candidates: one of them is Prime Minister Chernomyrdin; the other is the governor of the Nizhegorodskoy District, Boris Nemtsov. Chernomyrdin would be able to unite the electorate — from super-entrepreneur Volskiy, to human rights defender Kovalev. On the other hand, Boris Nemtsov is only in his thirties, he has turned out to be an excellent governor, he defeated the communists in the recent elections, he is from outside Moscow....

[Kurczab-Redlich] **I am surprised by the stake on Chernomyrdin. After all, he is very much the executor of the president's will. It may seem that he and the president are one.**

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[Gaydar] The prime minister has some trumps which place him higher in public opinion: he did not sign the Belovezhskaya accord; he did not free up prices; he is not responsible for the savings lost in banks due to the inconsiderate moves of the government; he is not to blame for the war in Chechnya.

[Kurczab-Redlich] **But both Chernomyrdin and Nemtsov refused to run.**

[Gaydar] Cheromyrdin would have agreed if Yeltsin had not competed. Nemtsov would have stood for the election had Yavlinskiy not applied. So there are two players; either could be beaten by Zyuganov, but neither would give up his position to the one who has a chance to win.

[Kurczab-Redlich] **What about you?**

[Gaydar] My candidacy would scatter the democratic votes even more and allow Zhirinovsky to compete with Zyuganov in the second round.

[Kurczab-Redlich] **When President Yeltsin met you, he said: "The democrats have no choice, they must vote for me". What will the Democratic Choice of Russia do in this situation?**

[Gaydar] I want to achieve the following: I wish the candidates, Yeltsin, as well as Yavlinskiy, behaved properly. We have already said what the president ought to do. As to Yavlinskiy, he should keep away from those colleagues who seek alliance with communists.

[Kurczab-Redlich] **Recently, Zyuganov has been more and more eager to portray himself as an adherent of the "leftist center". Perhaps he is not as dangerous as he previously seemed to be?**

[Gaydar] I pay no attention to what he says. He keeps saying different things. I know what he is going to do. Russia is threatened with great nationalization, reconstruction of the military-industrial complex, immense expenditures on the Armed Forces and the KGB. The only source of financing would be money- printing machines. This would result in the flight of foreign capital, the crash of the ruble — in other words: lines for everything, "sausage carriages", i.e. commuter trains full of country people who go shopping in Moscow — the socialism of the seventies.

[Kurczab-Redlich] **In your opinion, does Yeltsin guarantee reforms?**

[Gaydar] No, but he constitutes a chance to maintain stability.

[Kurczab-Redlich] **Zyuganov often talks about restoring the Soviet Union. In 1991, you voted against the break-up of the USSR. How do you view it today?**

[Gaydar] I dare quote the words of a man whose opinion on politics is entirely different from mine, the leader of the Ukraine socialists, Oleksandr Moroz: "He who is not sorry for the Soviet Union has no heart, but he who wants to revive it has no head"...

[Kurczab-Redlich] **Thank you for the interview.**

Russia: Presidential Election Scenarios Outlined

964F1687A Moscow SEGODNYA in Russian 22 Mar 96 p 5

[Article prepared by the Center for Political Techniques: "Just One Winner: The Favorites and the Outsiders in the Presidential Race Have Been Determined"]

[FBIS Translated Text] This article is part of the study "Analysis and Forecast of the Political Situation" ("Political Forecast" series, installment No. 1 for 1996) prepared by the Center for Political Techniques. The authors are Igor Bunin (general director of the center), Aleksey Zudin, Boris Makarenko, and Konstantin Roslavlev.

For the first time in the 20th century citizens of Russia will be electing a real head of state, to whom they will entrust the country's fortunes for a minimum of four years. It cannot be ruled out that this will be a choice for a far longer period inasmuch as the ballot on 16 June could bring to power forces interested in breaking with the current institutional system and canceling out the possibilities of free expression for an indefinite period in the future. Citizens of Russia have not hitherto had experience of such a choice. So significant a stake will provide high motivation for the elections and should ensure an active turnout. The latter will be higher, most likely, than at the parliamentary elections. According to the data of sociological surveys, 63 percent of the electorate in February 1996 declared an intention to go to the polls.

Inasmuch as Russia has had no experience of the voluntary relinquishment by the supreme authorities of their powers, the specter of an "authoritarian scenario" will hover in the air until the last moment. It is important to note that two-thirds of Russian citizens are emphatically opposed to the abolition or postponement of the presidential elections.

The results of the ballot in June 1996 will be determined by several basic factors: the logic of the electoral system that has been adopted, the correlation between the initial power of the electorate of the principal candidates and the possibilities of its enlargement, and the inner drama of the election campaign, which is gathering speed.

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Institutional Features of the Presidential Elections

Although the forthcoming presidential elections are an unprecedented phenomenon for Russia, the rules by which they will take place have been well studied and tested many times over in world politics. From this viewpoint there is nothing unique in the future elections. The logic according to which they will develop may be easily discerned even today. It will differ to a large extent from the logic of the parliamentary elections in December 1995.

At the presidential elections, as distinct from parliamentary elections, the "prize" goes wholly to some one person and is not subject to a shareout among several winners. For this reason serious organizational and financial support will be concentrated on a limited group of favorites. These being V. Zhirinovskiy, G. Zyuganov, A. Lebed, G. Yavlinskiy, and Boris Yeltsin. The participation of secondary figures could influence the distribution of votes among the main candidates, but none but the said five has any real chance of victory. Nor is there any doubt that the June elections will consist of two rounds: None of the principal candidates can muster 50 percent at the first attempt.

A somewhat different motivation will operate at the presidential than at the parliamentary elections, and it will be dissimilar for rounds I and II, what is more. When voting for the State Duma, the electorate could permit itself the luxury of betting on slates whose chances were not rated all that highly. In round I of the presidential elections support for secondary candidates based exclusively on personal affections for them would to a considerable extent be meaningless: There can be no more than two winners here. The sphere of operation of the "vote to good effect" principle expands, and the motivation to a vote for the campaign favorites is noticeably stronger.

For constituents who voted for candidates who are out of the race, a different principle takes effect in round II: "voting for the lesser of two evils," and the role of the vote "against" is enhanced. The two-round majority system predetermines for the candidates a strict logic of behavior, the particular features of which have already emerged on the Russian political stage.

The main objective confronting each candidate in round I is the consolidation of his electorate. It is this that is the condition of passage into the next round. The main struggle, therefore, develops not between ideological antipodes but between kindred political forces. Thus it is already clear that Yavlinskiy's main opponent in round I will be Yeltsin, and Zhirinovskiy's, the Communists. Accordingly, we should expect from Yavlinskiy steps to discredit the authorities (a vote of no confidence in the government and so forth), and from Zhirinovskiy, anticommunist escapades.

A phase of bipolarization of the electorate sets in in round II: Constituents from both halves of the political spectrum begin to group around the winning candidates who are closer to them ideologically. But there are among Russia's voters many "unyielding ones" who consent to vote only for "their" candidates, to whom they are bound by personal identification. Guided by the "plague on both their houses" principle, many of them will be inclined to ignore round II or to vote against both candidates (in the illusory hope that if people such as themselves muster more than 50 percent, the elections will be deemed invalid). There is no tradition of voting in Russia for the "lesser of two evils." Absenteeism in round II could be quite high, therefore. The seasonal ("summer cottage") factor will be added to this. It will operate selectively, what is more, reducing the turnout of townspeople and having virtually no effect on the turnout of rural inhabitants. Whether a high turnout is maintained in round II will depend on whether the strict bipolarization of society emerges in the "stretch" between rounds. The cranking up either of an antiregime or anticommunist propaganda campaign could be a condition of the latter.

The two-round system presupposes also that prior to round II the candidates who have lost will "transfer" the votes of their electorate to the kindred candidates who were victorious in round I. But under Russian conditions the transfer of votes on a national level, when those who have lost unequivocally suggest to their supporters for whom they should vote in round II, is hardly feasible. Russian politicians do not, for the most part, feel themselves to be part of big ideological families. The barriers between individual parts of the organized political forces are as yet pretty much impenetrable. In addition, the compromises and public agreements of competing politicians have yet to become a tradition of public life. Even if the necessary calls from the defeated candidates are heard, it is by no means obvious that the electorate will follow them. The majority of Russian politicians have no firm control over their electorate. The mechanism of the transfer of votes in round II will most likely operate in weakened form. Only from the leader of the LDPR, perhaps, may a speech calling for a vote against the Communist candidate be expected prior to round II.

Electorate of the Principal Candidates: Initial Nucleus and Potential for Expansion

At the early stage of the campaign, immediately after the current president and the leader of the largest opposition party have officially joined it, any ratings

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could be deceptive. But certain important trends are showing through even now. The group of candidates with chances of victory, given certain conditions, has been defined. Among those capable of pulling some votes away from the leading five we may mention Sv. Fedorov, M. Gorbachev, A. Rutskoy, P. Romanov, and A. Tuleyev. But they could drop out of the race at the first signature-collection stage or withdraw in favor of the political "heavyweights" who are ideologically close to them. The other candidates are hardly capable of coping with the task of collecting 1 million signatures. Each candidate of the top five is faced with a two-in-one objective—consolidation of his own traditional electorate and its expansion thanks to the attraction of kindred electoral groups.

The idea that in the second round the meeting of Yeltsin and Zyuganov is inevitable has not only now taken possession of elite groups and the news media but is insinuating itself increasingly firmly in the mind of the ordinary voter. To the question of who the president of Russia will be, 22 percent of those polled name Zyuganov, and 21 percent, Yeltsin. Zhirinovskiy is mentioned almost three times, and Lebed and Yavlinskiy, almost 10 times less often. Obviously, the idea of the inevitability of the move into round II of the Yeltsin/Zyuganov pairing will, as it penetrates the mass consciousness, act as a self-fulfilling prophesy. Only extraordinary circumstances or the catastrophically unsuccessful conduct of the election campaign (unlikely in Zyuganov's case, but entirely possible in Yeltsin's) could lead some second-echelon candidate into the second round.

Yavlinskiy's attempts to break through into kindred electoral fields (primarily to the "non-Yabloko" democratic voter and the center left) will come up against serious limitations. Yabloko was from the outset organized as a "sect," as a narrow group of like- minded within the EPItsentr. Organizations structured this way may be distinguished by a high degree of cohesion, possess immunity to splits, and build up the initial nucleus of supporters rapidly, but it is difficult for them to extend their influence to broad strata of society. Yabloko has a very strange electorate, a sizable part of which pays lip service to support for it, but on election day melts away somewhere. This was the case in December 1993, and it was repeated in December 1995.

Yavlinskiy is tagged with being a "splitter" of the democratic movement. Yabloko called in question its democratic identity by a situational alliance with the Communists at the time of the election of the speaker of the new Duma. By its behavior the Yabloko faction signaled the Communists that the latter may consider themselves sovereign masters of the Duma. The tone of the publications in the communist press on Yavlinskiy has changed sharply. Representatives of the CPRF in the Duma have the feeling that they can not only carry any law but also, if necessary, adopt constitutional amendments inasmuch as they can always come to an arrangement with the Yabloko faction (it is not that important in this case how justified such a notion is). In addition, Yabloko has shown the whole of society that for Yavlinskiy and his supporters Yeltsin and the Yeltsin regime are a greater evil than Zyuganov and the CPRF.

Zhirinovskiy's electorate is distinguished by quite high stability, but it is isolated from the other electoral groups and is inelastic. Zhirinovskiy is the main candidate for the role of "antipresident" of Russia: 46 percent of Russians would not want to see him in the presidency under any circumstances. He could make it to the second round only in the hypothetical situation of the votes of the democratic and center electorate being divided equally between Yeltsin and Yavlinskiy. Lebed's electorate in insufficiently settled as yet. In addition, Lebed has neither his own faction in the Duma nor an effective party organization. Since his resignation, he has simply failed to carve out a new image: The old tints have faded, new ones have not yet been found. He could have some chances in a linkup with other politicians of the first magnitude (Sv. Fedorov or Yavlinskiy).

Yeltsin also will encounter serious limitations. He is a figure who is not free of the past. It is harder for him to make promises which people might believe in. Present-day living is firmly associated with his name. We can also speak of the moral and political wear and tear on the figure of Yeltsin in the eyes of the majority of voters. The spectrum of political orientations of Russian citizens has shifted markedly to the left in recent years, and this means that Yeltsin will have to fight to expand his base under conditions that are extremely unfavorable for him. These are not the best times for demo-populism—the political niche which he once successfully conquered. Yeltsin's victory is impossible without his mounting an anticommunist campaign, but the conditions for it are constricted on account of the changes that have occurred in the mass consciousness.

The potential for an expansion of Yeltsin's electoral support has strict upper limits. According to data of VTsIOM [All-Russia Center for the Study of Public Opinion] polls, 38 percent of the electorate would under no circumstances want to see him as president of Russia. He is outdone in terms of this indicator only by Zhirinovskiy. Thus Yeltsin's electorate also is characterized by insufficient elasticity. In this respect Zyuganov's position appears far more preferable, and he is seen as the undoubted favorite of the election

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race. Truly, in the course of the parliamentary election campaign he changed from being the leader of an individual, even though the largest, party to a leader of national stature. It is important to note also that the degree of mobilization of Zyuganov's electorate is today much higher than Yeltsin's. But there are serious limitations for Zyuganov also.

The CPRF is obliged for its ascent not so much to the organic process of conversion from a party outside of the system to one within it as to the vacuum in the area of the center left. This space has been seized by the Communists, but not conquered by them. They far from correspond to the place where they are located or to the role to which they are laying claim. Whence "Zyuganov's two faces": One face is turned toward the traditional communist electorate thirsting for revanche, the other, toward the rest of society tired of the succession of shocks and toward the outside world. This duality could block the further expansion of Zyuganov's electoral base, which will be vitally necessary for him in the second round.

Any move to accommodate the traditional communist voter would threaten a loss of the affections of the nonideologized part of society, and any step in the direction of greater adherence to the system would be fraught with charges of a betrayal of communist ideals. It is significant that whereas only 19 percent would not want to see Zyuganov in the office of president, 47 percent of the electorate would not want a Communist president for Russia. This means that a sizable part of the electorate do not as yet perceive Zyuganov as a Communist. He is vulnerable to strikes from both sides: to criticism emphasizing his communist nature or exposing his insufficiently communist character. The task facing Zyuganov of switching over to himself the protest vote is complicated by the acute competition for the protest vote on the part of Zhirinovskiy. The campaign of the leader of the LDPR is acquiring an increasingly distinct anticommunist focus: It puts on the same footing "Communist deputies" and "capitalist ministers."

A comparison of the electoral nuclei of the two principal candidates and the potentials for their expansion shows that in terms of both of these key indicators Zyuganov is today considerably ahead of Yeltsin. The latter will continue to have a chance only given a high turnout, the consolidation of the democratic "non-Yabloko" electorate, the building of dependable bridges to the electoral "morass," the consolidation of the ruling elite, and the conduct of a smart anticommunist propaganda campaign.

Likely Dramatic Composition of the Election Campaign

Three main scenarios according to which it could develop may be discerned at the start of the election campaign. The first is antiregime mobilization according to the "all against Yeltsin" principle. But it could hardly have a common focus. Thus whereas Zyuganov and Yavlinskiy will rely on the political and ideological unacceptability of the Yeltsin regime, Zhirinovskiy will most likely stress "physiological" aspects (the age and poor state of health of the president). The second is anticommunist mobilization according to the "all against Zyuganov" principle. It cannot be ruled out that Lebed would drop out of the common chorus. All the other participants—in varying forms and from different motives—would make their contribution. The third is the conversion of the opposition of the favorites—Zyuganov and Yeltsin—into the focus of the election campaign. This, as already mentioned, is the most likely scenario. It does not rule out antiregime and anticommunist mobilization but makes them more personified.

Antiregime mobilization might not yield results were Yeltsin to resolve, in the main, the problem of the social payment arrears, show progress in a resolution of the Chechen problem, employ nonstandard moves aimed at intercepting the slogans of the opposition (like the integration with Belarus), mount a "clean hands" campaign in the fight against corruption, and create in the voter the image of a united, capable team (the latter, though, is the least likely). The goal that he faces in the first round is not to lose to Zyuganov by a large amount. In this case there will be no demobilization of Yeltsin's electorate, and the desertion of the administrative elites will not assume extensive proportions. There will be less of a temptation for an authoritarian scenario also.

As far as the final results of the elections are concerned, they will depend to a decisive extent on the behavior of the adversaries in the stretch between rounds I and II. But an expansion of electoral support in this period will be possible only if the appropriate springboard has been prepared ahead of time.

Russia: Ryabov Against Simultaneous Presidential, Local Elections

LD0804151996 Moscow ITAR-TASS in English 1344 GMT 8 Apr 96

[By Tamara Ivanova and Igor Belskiy]

[FBIS Transcribed Text] MOSCOW, April 8 (Itar-Tass) — "Tougher public and state control over the election campaign is possible only if no regional elections

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are held parallel to the presidential," Chairman of the Central Election Commission of the Russian Federation Nikolay Ryabov told a press conference here today.

He is sure that simultaneous presidential and local elections will create not only numerous organisational difficulties, but willingly or unwillingly offer a chance for various offences, because it will be very difficult to observe all the requirements of the law in such conditions. At the same time Ryabov said that the Central Election Commission had agreed to the holding of the Moscow municipal elections on June 16, on condition that separate boxes will be installed at the polling stations of the capital for different ballots.

The Chairman of the Central Election Commission expressed dissatisfaction with the existing Russian electoral legislation. This law, in his opinion, is schematic and some of its provisions are dualistic. It does not ensure free control over the election campaign. Moreover, he believes, the law-envisaged procedure for the collection of signatures is not the best way to nominate a candidate for the elections.

Touching on the possibility of the June 16 elections being rigged, Ryabov said he would not risk saying that deliberate distortions of the existing law were possible, but, in his opinion, there could be some mistakes.

Russia: TsIK Gives Go-Ahead on Elections for Moscow Mayor

MM0804151196 Moscow IZVESTIYA in Russian 5 Apr 96 p 2

[Report by Anatoliy Stepovoy: "Central Electoral Commission Prepares Exemption for Moscow"]

[FBIS Translated Text] A week ago the Russian Federation Central Electoral Commission [TsIK] adopted a stern decree banning territorial and precinct commissions created for the Russian presidential election from performing duties in the organization and holding of elections to the local organs of power. In an interview for IZVESTIYA N. Ryabov, chairman of the Central Electoral Commission, explained that this step was taken because parallel elections on 16 June would violate citizens' electoral rights. But hardly had the ink on this decree dried than the Central Electoral Commission was already drawing up exceptions to this rule.

This drastic change of heart resulted from the appeal by the Moscow City Electoral Commission and the capital's government, which are responsible for the elections of the mayor of Moscow scheduled for 16 June. Twice members of the Central Electoral Commission tried to find a way out of the impasse of their own making and twice they failed. On the one hand the Central Electoral Commission does not want to mar relations with the capital's authorities and the president, who authorized the elections in Moscow, but on the other it does not want to offend the other Federation components, which have decided to accept the will of the country's main election department. After all, it was on the Central Electoral Commission's insistence that the election of the mayor of St. Petersburg was postponed for one month. Yet in the eyes of the law Russia's second capital is in no way inferior to the first capital....

A clear division of opinions emerged among Central Electoral Commission members. So that this would not be officially recorded N. Ryabov withdrew this question from the vote and gave [Moscow mayor] Yu. Luzhkov's envoys a firm promise that this question will be resolved positively in due course. If that happens it cannot be ruled out that some Federation components and organs of local self-government will decide to make use of this precedent themselves.

Russia: Ryzhkov Demands Apology From Yeltsin for 'Rude Statements'

MM0804133896 Moscow PRAVDA in Russian 6 Apr 96 p 1

["Statement By N.I. Ryzhkov" — PRAVDA headline]

[FBIS Translated Text] In the course of his campaign trip to Belgorod 4 April this year Russian Federation President B.N. Yeltsin made some rude statements bordering on the threatening against State Duma Deputies N.I. Ryzhkov, V.I. Varennikov, and A.I. Lukyanov (they should be in the "Matrosskaya Tishina" [prison] not the Duma). He thus took upon himself the functions of both Prosecutor's Office and court.

Clearly, they are planning to put me in jail for having been the head of government of a great state — the Soviet Union.

Clearly, for being among those who created the conditions for the development of true democracy in the country.

Clearly, for making no secret of my disagreement with the political and economic reforms being carried out in the country.

Clearly, for being chairman of the Board of Guardians of the construction of the memorial victory complex at the Kursk Salient at Prokhorovka, which the president is currently visiting.

In this connection I state:

First. I hope that the State Duma will make an appropriate assessment of this attack by the state's top official.

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Second. On 1 April this year the country's president signed an edict increasing pensions for former USSR and RSFSR statesmen. I was sincerely pleased about this — primarily because it affected my colleagues in the USSR Government.

As of 1992 we had been stripped of our personal pensions. Many people, including myself, were forced to seek work in order to survive. But among our number were many who were unable to earn their living for health reasons. In a situation where the Russian president makes such statements, I refuse to accept this concession from his hands until such time as he apologizes to me and to my colleagues.

[Signed] N. Ryzhkov

[Dated] 5 April 1996

Russia: Yeltsin's State of Nation Address Assessed

964F1701A Moscow MOSKOVSKAYA PRAVDA in Russian 27 Mar 96 p 11

[Article by Vladislav Tsipko, candidate of economic sciences: "The Presidential Message and the Campaign Strategy of Boris Yeltsin"]

[FBIS Translated Text] The traditional message of the president to the Federal Assembly was awaited particularly keenly by the majority of analysts. No one was in the least doubt that this document was to have summed up the five-year rule of Boris Yeltsin and to have been a kind of ideological weapon within the framework of the propaganda polemic with the other candidates for the highest state office in Russia.

The written address to both chambers of parliament was, at least, to have answered the main question: Has there really been a "tilt to the left" in the president's strategic aims or does he continue in the traditional garb of guarantor of the liberal reforms outlined by the requirements of the International Monetary Fund?

In this sense the presidential message justified expectations. It did, indeed, attempt, in the best traditions of political advertising, to avoid the sharpest edges and to gloss over his own miscalculations or, at least, to shift the responsibility for them onto his opponents. At the same time, on the other hand, Boris Yeltsin tried to persuade the electorate that, despite all the drawbacks, Russia has in the time of his presidency gained far more than it has lost and should, with certain adjustments, continue to move forward in the same direction. It was these purposes that were served by the nontraditional structure of the message, which in summary form provided brief descriptions of all the key stages of contemporary Russian history—from the downfall of tsarist autocracy to our day.

In examining the tragic consequences of the communist experiment the president is endeavoring, as it were, to illustrate more prominently his contributions in the destruction of totalitarianism and the inert planned economy and at the same time to take issue in concealed form with his principal opponent, G. Zyuganov, instilling in the electorate that the Communists could lead society only to a "historical impasse, to the inevitable demise of Russia." The analysis of the perestroyka period, closer to contemporaneity, serves a different purpose: It is extremely important for Boris Yeltsin to emphasize that his predecessor in the office of president did not surmount but merely intensified the severe consequences of stagnation and bequeathed him an extremely unenviable legacy. Thus readers are led to the thought that the Belovezhskaya agreements and the "shock therapy" under the leadership of Ye. Gaydar, such radical and, from the viewpoint of today's understanding, highly controversial measures, are entirely on the conscience of the indecisive and inconsistent M. Gorbachev.

In this sense one of the key passages of the document, which predetermined to a considerable extent both the overall spirit and its structure, is the following sentence: "It is essential to distinguish problems born of the transitional period from the problems that Russia inherited." There ensues from this the tactics—perfectly justified for a participant in an election race— of ascribing the majority of the difficulties linked with his name to objective factors and attributing all real and mythical achievements to his own political credit. It would be naive to expect from such a politician as Boris Yeltsin public acts of self-flagellation or a showering of his head with ashes in order to portray himself in the new image of "father of the nation" who has repented of his own errors and who is now prepared to make every possible effort to rectify them.

The Russian mass public consciousness is characterized by a perception of the national leader as a decisive and commanding boss who is always sure of himself and who does not suffer from an inferiority complex. It was these qualities of Boris Yeltsin which formerly made the main contribution to his victory over the Union center and which attracted to his side the electorate, which was tired of the soft and inconsistent M. Gorbachev. It is perfectly logical, therefore, that the president decided once again to put the emphasis on his inherent active, aggressive style of political struggle and that he is not disposed toward undue self-criticism in the name of the establishment of a dialogue with his main opponents. It is not fortuitous, therefore, that

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many experts do not take the president's message too seriously, considering that the substantive aspect in it was crushed by exclusively tactical propaganda purposes. Ultimately any advertising, political included, is organized according to the universal principle that what is important is not the commodity itself but the way it is presented.

But, in our view, the president's message is not only an instrument of political canvassing but is at the same time Boris Yeltsin's campaign platform, which sets forth his vision of the resolution of the country's fundamental problems. For this reason an analysis of this document is important for an answer to two key questions: On what part of the electorate has the president gambled and will the, on the whole, liberal socioeconomic policy undergo appreciable changes.

Whether Boris Yeltsin intended this or not, the historical retrospective which he provided not only serves as a general background for justification of the most controversial aspects of his political biography but also shows convincingly how closely his political fortunes are tied to politicians of a liberal persuasion. Such key landmarks of his presidency as the Belovezhskaya agreement, the start of radical reforms, and the events of October 1993, undertaken with the direct support of Democratic Russia and its successor parties, are not only the history of his struggle for the strengthening or preservation of his own power but are also the principal source and legitimate base of this power. To call in question all these actions would mean for Boris Yeltsin a felling of the branch on which he sits and a weakening of his positions in his fight for reelection to a second term. The logic of political survival is forcing him to remain on the side of the barricades on which he has always been and is to a considerable extent limiting his opportunities for conversion into a national leader capable of conducting a dialogue with currents of a different ideological persuasion.

By all accounts, the president, proceeding from the well-known principle of a bird in the hand being better than two in the bush, has decided at the first stages of the campaign to attract to his banners his traditional allies—the liberal democrats. A principal objective of the message to the Federal Assembly was that of breaking the ice that had formed in relations with parties of the right and instilling confidence in them that he remains, as before, "guarantor of the reforms." Hot on the heels of his speech, Boris Yeltsin has emphasized on several occasions that he consciously opted for a version of the message which was couched in the most "democratic spirit." The president is hereby making it understood to the liberal-minded part of Russian society that he intends to rely primarily on this latter primarily.

On this basis this action should be seen merely as a component in Yeltsin's efforts to consolidate the supporters of a liberal course as his own electorate (the meeting with the editors of Moscow's news media, the attempt to win Ye. Gaydar's support, and such). The other main addressee of the president's message was, to all appearances, the International Monetary Fund, with which, not long before this, agreement had been reached in principle on the allocation to Russia this year of $3 billion of swing credit. It was important for the president to guarantee the international financial community publicly that, despite the dismissal of A. Chubays, he would continue the policy of liberalization of the economy and the suppression of inflation with the aid mainly of monetarist methods.

Truly, the substantive core of the message's economic sections does not, despite their ambiguity and manifest contradictoriness, contain cardinal innovations and incorporates all the basic propositions of the government's medium-term program for 1995-1997 and also of the Russia Is Our Home campaign program. The principal objectives of economic policy for the current year, in the president's opinion, are continuation of the monetarist line of the suppression of inflation (its reduction to a level of 25 percent a year), maintenance of a stable ruble exchange rate, an increase in the domestic debt from the sale of securities of the Government of the Russian Federation, and the pursuit of agrarian reform, which is to include privatization of the land also. Thus Yeltsin remains within the framework of the liberal logic whose main proponent prior to his dismissal was A. Chubays—we shall suppress inflation initially with the aid of an austere monetary policy and we will then wait for an upturn in private investments and economic growth. It is significant that in a number of places of the message which deal with the need for continuation of a consistent policy of financial stabilization, the favorite propositions of the former first deputy premier are quoted almost word for word. Pertaining here, for example, is the proposition that the crisis of the economy is coming to an end since, according to the past year's results, the government has managed to lower inflation despite a minimal decline in production. From this there ensues the president's confidence that progression in the channel of financial stabilization a la Chubays is in principle justifying itself and should be continued.

This assumption, which is the base foundation for justification of the liberal prescriptions for surmounting the crisis in the Russian economy, is by no means indisputable. The whole point is that the experience of last year showed convincingly once again that unambiguous reliance on monetary methods of combating inflation against a background of an increase in the domestic

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and foreign debt does not cure chronic ailments of the national economy but drives them deeper down. The government has not succeeded in breaking the vicious circle of the Russian reforms, which is with surprising conformity to type being repeated for what is now the fourth year. All attempts to lower inflation by way of an austere monetary policy result in an intensification of the decline in production and a growth of social tension, which, in turn, forces a "loosening of the reins" and an increase in money issue.

The spasmodic attempts of the president's team to overcome the wage-nonpayment crisis against the background of a growth of tax arrears and nonpayments in industry and the banking sphere are precisely the reverse of the "achievement" in the sphere of the fight against inflation. Nor should the successes in the surmounting of the industrial slump be exaggerated either. The stabilization of industrial production with a certain growth in a number of export sectors pertained to the first half of the year, when the rate of inflation was no less than in the analogous period of the previous year. After the real transition to austere monetary policy in the third and fourth quarters of 1995 and the introduction of the currency "corridor," the trend toward a decline in industrial production intensified.

There is no doubt that the general inflation background in the Russian economy and the average rate of industrial decline have diminished appreciably. But this has to do not so much with the adaptation of a majority of enterprises to the new operating conditions as with the drastic reduction in the four years of the reforms in the manufacture of products in a basic generator of cost inflation—manufacturing industry. By sticking merely with the monetarist paradigm of financial stabilization and farming out structural policy chiefly to private investors there is only one way in which inflation can be overcome—by allowing manufacturing industry working for the domestic market to die in peace. It is merely a question of the extent to which this policy corresponds to the president's course proclaimed in the message to the Federal Assembly toward support for science-intensive works and the smoothing over of social problems in society.

The main source of the contradiction and incongruities in the economic sections of this document is the discrepancy between the president's sincere aspiration to improve the socioeconomic situation in the country as quickly as possible and his reluctance to abandon liberal strategy, which, per the experience of recent years, is only making it worse. Boris Yeltsin is not inclined in the face of the coming elections to view present Russian reality through rose-colored spectacles and is speaking honestly about the unresolved problems in the way of economic transformations: the payment arrears crisis, the shortage of efficient proprietors, the growth of tax arrears, and so forth. But instead of making an objective diagnosis of the causes of these processes, he intends to seek merely palliative ways of resolving them. Like A. Chubays, the president is attempting to explain the economic difficulties not by defects of the liberal strategy itself but merely by objective difficulties of the transitional period and also by the irresponsibility of government officials and financial machinations at the enterprise level. He considers the principal objective of the new stage of development of the economy, therefore, continuation of the "time-tested" old course with an intensification of the struggle of the state against such phenomena as corruption, the misuse of budgetary funds, tax evasion, and lobbying for new privileges.

Truly, such measures as an increase in the efficiency of the administration of public property, the fight against the financial machinations of the "red" directors, and the curbing of the overweening ambitions of the financial and industrial oligarchies have long been urgent and are an important stage on the path of stabilization of the economic situation in the country. But the imposition of elementary order in the sphere of state management of the economy will not resolve the problem as a whole. That same payment arrears crisis, which has even now paralyzed the work of both industry and the banking sphere, ensues not only from the criminalization of the system of financial settlements.

Barter and commodity supplies not secured by financial resources are the enterprises' natural response to the shortage of money supply in the economy, which, in turn, is a consequence of monetarist methods of the achievement of financial stabilization. And this problem cannot be fully resolved merely thanks to strict administrative sanctions against negligent directors and government officials. The course toward continuation of financial stabilization proclaimed by the president means in practice that the trend toward a growth of the nonpayments in the economy will continue, which essentially testifies to the illusory nature of the campaign promises of the disbursement of pay and financial support for the science-intensive branches of industry.

The forecast of a sharp decline in the level of inflation and its reduction to 25 percent a year is as a consequence of the unresolved nature of the problem of cost inflation unrealistic also. The rate of growth of prices will, most likely, diminish somewhat in the current year compared with last year's indicators. But the successes on the front of the fight against inflation will not be so impressive as for us to be able to speak about a reorientation of financial flows toward long-term investments. Consequently, the president's hopes of a resuscitation of

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active state industrial policy based on a stimulation primarily of private investments are hardly justified. The preservation of the macroeconomic strategy of last year in the current period also predetermines a repetition of all its basic socioeconomic indicators—a certain lowering of inflation will be achieved at the expense of a continuation of falling investments and the diminished real income of the citizens.

Thus the president has in his message made a deliberate gamble mainly on the democratic electorate and has once again in public form assured the International Monetary Fund of the seriousness of his intention to preserve the liberal course of the reforms, on the whole. The interim dividends from this tactical move have already been obtained. Agreement in principle has been reached with the IMF, for example, on Russia being granted this year a new tranche of credit. In addition, Boris Yeltsin will succeed, by all accounts, in consolidating beneath his banners a large part of the liberal electorate, which will give him at a minimum 15 percent of the vote and guarantee his passage into the second round of the presidential elections.

But, strategically, these trump cards cannot perform the decisive role. The baggage of prescriptions for a way out of the economic crisis given voice in the message is manifestly insufficient not only for improving the socioeconomic situation in the country before the elections but also for pulling the Russian economy out of stagnation in the course of many subsequent years. The preservation of the ideological umbilical cord tying the president to the liberal democrats limits the president in the struggle for the votes of all the noncommunist constituents. A decisive change in the presidential election race in favor of Boris Yeltsin is hardly achievable, therefore, if he confines himself merely to realization of the basic propositions of his message to the Federal Assembly.

Media Issues

Russia: TsIK Sets Time Limits for Campaign Advertising

LD0804161496 Moscow ITAR-TASS World Service in Russian 1313 GMT 8 Apr 96

[By ITAR-TASS correspondent Tamara Ivanova]

[FBIS Translated Text] Moscow, 8 Apr (Itar-Tass) — In the presidential election campaign, the daily airtime which the state television and radio companies will grant to Russian presidential candidates for electioneering free of charge has been cut to a third. This is one of the main innovations of the so-called instruction on the mass media regulating the procedure for granting airtime on state television and radio channels that was finally approved last Friday [5 April] by the Central Electoral Commission [TsIK].

According to this document, every work day from 14 May, Russian presidential candidates will be given 10 minutes airtime between 0700 and 1000 hours and a further 10 minutes between 1800 and 2300 hours, bearing in mind the local time. During the December State Duma elections, a total of one hour was stipulated for electioneering under a similar instruction.

The proposal to reduce free airtime was made by [commission head] Nikolay Ryabov himself at a conference of the heads of regional television and radio companies in Moscow at the end of March, and it was warmly supported by participants in the meeting. The chairman of the Central Electoral Commission stressed in an interview with an ITAR-TASS correspondent that there were two main reasons behind the decision. Above all, the number of participants in the presidential campaign, he forecasts, will be far smaller than during the State Duma elections. Therefore they will not be limited by the overall volume of airtime. On the other hand, the state has still not paid its debts to the state television and radio companies for the Duma campaign. The total loss borne by the 89 regional television and radio companies stands at tens of billions of rubles.

The new instruction has also somewhat altered the approach to the definition of the term "state television and radio companies," itself. Whereas in the document which figured in the Duma elections a company was regard as a state company if its founders included state structures, now the main criterion has become the fact of state financing. This raises many new questions, in particular with regard to Public Russian Television. As is known, the state owns 51 percent of this company's shares, but budget financing of the company has not yet been started in 1996. And although the management of Russian Public Television has already said it is willing to provide free airtime, the Central Electoral Commission has sent an enquiry to the Russian Federal Television and Radio Broadcasting Service about which television and radio companies can be regarded as state companies. The list of these is due to be published no later than 16 April.

The instruction's other innovations include the fact that partially state-owned periodicals and municipal printed mass media are providing space for electioneering for a charge. Every presidential candidate can also use publications founded by them for electioneering but these must be financed out of the candidate's election fund.

Ryabov also explained that free airtime is only being granted to presidential candidates themselves. Their

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campaign groups will have to pay to carry out electioneering.

The instruction also contains recommendations on the holding of debates, "roundtables," "hotlines," etc., during the campaign. Legislation does not allow candidates to be forced to resort to these "genres" of electioneering.

Assessing the document as a whole, Ryabov said that the instruction had been compiled taking all sides into account and "makes it possible to achieve the objective set." He also stressed that he attached particular significance to the work of regional television and radio companies because, he said, "the battlefield will in the provinces rather than in Moscow."

Military & Space Issues

Russia: Defense Ministry Denies Political Discord in Ranks

LD0804162396 Moscow ITAR-TASS World Service in Russian 1510 GMT 8 Apr 96

[FBIS Translated Text] Moscow, 8 Apr (Itar-Tass) — "In recent times a number of publications have appeared in the media, the authors of which have tried to instill in the public consciousness the idea of political discord among the senior officials of the Rusian Federation Armed Forces. At the same time, the publications cited polls, sociological surveys, and documents that allegedly contain an analysis of the political views of the supreme army command and of the alignment of forces at the Russian Defense Ministry," says the statement by the collegium of the Russian Defense Ministry, the text of which has come into the ITAR-TASS editorial office.

"In this connection the Defense Ministry collegium states that the figures which purport to be the results of surveys have been invented. Behind them there is a patent attempt to disorientate the public and the personnel of the army and navy right before the presidential elections and to create the idea that there is some hidden opposition in the military command," the statement says.

"The collegium believes it is inadmissible to circulate this kind of inventions around the army for political purposes and states there is unity of positions and views among the senior officials of the Defense Ministry on all questions relating to military construction, the full support of reform, and preservation of stability in the country," stresses the statement of the Defense Ministry collegium, reported by the directorate of the Russian military department to ITAR-TASS.

Russia: Military Denies Disrupting Meeting on COCOM Replacement

LD0904103096 Moscow ITAR-TASS in English 0939 GMT 9 Apr 96

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, April 9 (Itar-Tass) — Any accusations against Russia of disrupting the Vienna meeting called to establish a new export control organisation to replace COCOM [Coordinating Committee for Multilateral Export Controls] are groundless, a spokesman of the General Staff of the Russian armed forces told Itar-Tass today.

The spokesman said the Russian delegation to the meeting was defending the interests of the country and did not agree to concessions which would do harm to its cooperation with other countries in the military-technical field.

The first plenary meeting in Vienna had been called to work out a conceptual framework for a new multi-lateral agency to control exports of conventional arms, as well as high-tech products and technologies, the Russian spokesman said.

But a number of states, including the United States, Japan and some European countries, demanded that Russia inform them "within 60 days from the date on which the government decides to permit exports," while Russia insisted on the formula "within 60 days from the date on which the product is shipped for export," the spokesman said.

The Russian delegation voiced its just apprehension that the procedure of notification imposed on Russia would inevitably encroach on the interests of the defence industrial enterprises, the spokesman said.

No country would strike a deal for supplies of arms and military equipment if it learned that the entire world had been notified about them, he said. In addition, competitors would probably move to disrupt the deal, which has been repeatedly done by Western countries against Russia, the spokesman recalled.

The international export control coordinating committee (COCOM) steered by the United States and its Western partners usually acted in the past to prevent the transfer of high, usually secret military technologies, to the Soviet Union, China and their allies, the spokesman recalled.

At present, the new historical conditions require the establishment of a new export control agency. The United States was from the outset against Russia's

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membership in the new organisation because of Russian arms exports to Iran, the Russian official said.

With this in mind, it is possible to see the differences on the notification procedure which surfaced in Vienna as an excuse for the delay in the formation of the new agency designed to replace COCOM, the Russian spokesman said.

Russia: Booster Rocket Takes U.S. Satellite Into Orbit

LD0904051696 Moscow ITAR-TASS in English 0503 GMT 9 Apr 96

[By Veronika Romanenkova, Nikolay Gritsenko]

[FBIS Transcribed Text] MOSCOW, April 9 (Itar-Tass) — The Russian heavy booster rocket "Proton-K" which was successfully launched from the Baykonur cosmodrome today will take a foreign satellite into the orbit.

The rocket was launched at 3:09 a. m. Moscow time today from Baykonur's 81th launching site. The launching operations were supervised by chairman of the State Commission in charge of launching "Proton" booster rockets, Commander of the Russian Space-Military Forces (SMF) Colonel-General Vladimir Ivanov, Itar-Tass learned from the SMF press Centre.

The satellite, "Astra-10", is to reach its destination eight hours after the start. As soon as the satellite is taken into the orbit it will "get down to work" at once, transmitting direct TV broadcasts to Central Europe.

The "Astra-10" was built by the US company "Hughes" on the order of the Satellite European Systems (SES). The "Proton-K" rocket was built by the Khrunichev Space Research Centre and the "Energia" Space Rocket Corporation.

Today's launching was the first one carried out by a joint Russo-US enterprise ILS created by the Khrunichev Space research center, the "Energia" corporation and the "Lockheed-Martin" US company.

The cost of this project is 60 million US dollars. The ILS is planning to launch 19 more "Proton" rockets into space until the year 2000 which will take foreign satellites into the orbit, including three "Astra" space apparatuses, "Inmarsat-3" scheduled to be taken into the orbit in August-September, 1996, "Tempo-1" scheduled to be launched in October-November.

The Russian side is expected to earn over one billion dollars for the participation in a series of launching projects.

Regional Affairs

Russia: Yeltsin Support Group in Bryansk Oblast Holds Conference

MM0804121496 Moscow ROSSIYSKAYA GAZETA in Russian 4 Apr 96 p 2

[Report by Anatoliy Grachev under the "Provincial News" rubric: "There Is No Other Way"]

[FBIS Translated Text] Bryansk — There were 350 delegates from 27 parties, public organizations, and movements at the constituent conference of the Bryansk Oblast Movement for Public Support of Boris Yeltsin in the Russian Federation Presidential Elections.

Russia will face a stark choice in June, the conference said: either a continuation of the reforms already begun and a strengthening of democratic rights and freedoms or a return to a form of totalitarianism. Only the current president can guarantee the former, in the opinion of conference participants.

The delegates urged all people who cherish the gains of democracy to unite in support of Boris Yeltsin at the presidential elections.

Russia: Yeltsin Supporters, Opponents Clash in Podolsk

MM0904111296 Moscow IZVESTIYA in Russian 9 Apr 96 p 1

[Report by Yuriy Snegirev: "Podolsk Incident. Sixty-Eight Days Before the Presidential Election Brawls Have Already Started Between Boris Yeltsin's Supporters and Opponents"]

[FBIS Translated Text] A group of members of the public organization "Civil Initiative" traveled from the capital into Podolsk, Moscow Oblast, 7 April with the aim of encouraging the public to vote for Boris Yeltsin in June. The trip almost ended in a fight with a group of local patriots.

No sooner had the "Ikarusz" bus parked in the city center and the campaigners (mainly elderly women) disembarked with their leaflets, than the Muscovites were approached by young men of athletic built, the backs of their heads shaven, who in a crude and insulting manner told them to "scram."

The youths announced to the bus driver that if the campaigners did not leave "the guys will come and torch your wagon." When asked by IZVESTIYA's correspondent, who was present at the scene, whom they represented, the youths answered, grinning, that they were "patriots of our city."

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One of these threatening youths, who was wearing a Cossack uniform and carried a whip, said that they had been warned about the visit of the "democrats" by "our people" in the rayon administration.

The car of Petr Filippov, chairman of "Civil Initiative," was attacked with empty bottles.

Filippov managed to summon the police, who arrived at the scene 15 minutes later. However, the aggressive youths were by then standing aside, and hence the police officers asked in bewilderment: "Who are we supposed to protect you from?" "As soon as you go, they will start threatening again," was the reply. "But we cannot accompany you to every door — we only have one car," the police officers said, and left — on "police business," no doubt.

Petr Filippov managed to get through to Podolsk's police chiefs, as a result of which a policeman was attached to every picket. The bus was hidden in a courtyard. Nevertheless, the same hefty youths turned up alongside the pickets, preventing people from taking leaflets.

At the same time, according to Filippov, an agreement on Saturday's outing had been reached with the city authorities in advance. Filippov accuses the deputy chief of the local internal affairs administration, whom he believes to be a communist supporter, of provocation.

According to the crime statistics, Podolsk is one of the most criminal cities in the Moscow area. That is understandable — they call it "Hucksterville" ["Torgograd"].

Russia: St. Petersburg Intelligentsia Issues Anti-Yeltsin Appeal

LD0504143996 Moscow Radiostantsiya Ekho Moskvy in Russian 1200 GMT 5 Apr 96

[Report by Lev Golsteyn from St. Petersburg]

[FBIS Translated Text] A congress of the public movement supporting Boris Yeltsin opens in the capital tomorrow. In the meantime, in the northern capital some representatives of the intelligentsia have issued an anti-Yeltsin appeal.

The authors of the letter warn their colleagues, and I quote: Do some of us not understand that the mothballing of the present regime would unavoidably lead to fresh bloodshed tomorrow, and revenge by the Zyuganovs and Ampilovs the day after tomorrow. End of quote. The king is naked, but his nakedness is no longer funny but terrifying, the authors write, recalling the sad experience of the German intellectuals, who in the 1930's supported the jester and paranoic only because, in the their opinion, he had the specific historic mission to stop the communists. The authors believe that there is a wide choice — from Khakamada to Lebed and from Yavlinskiy to Gorbachev — and there is time to get a single democratic candidate through to the finishing line.

Leonid Babkin, Yuriy Burdin, the Petersburg group, poet Andrey Chernov, film producer Nikolay Belyak, philosopher Rem Barantsev, and others are among those who signed the letter.

Russia: Buryat President, Communist Leader Clash

MM0904102996 Moscow ROSSIYSKIYE VESTI in Russian 5 Apr 96 p 2

[Report by correspondent Gennadiy Gypylov: "Old Yearning for Party Diktat"]

[FBIS Translated Text] Ulan-Ude — The Buryat Communists were very aggrieved at the republic's president, so much so that they called Leonid Potapov, a member of the Federation Council, "on the carpet." As they used to call people to the oblast committee bureau in the good old days. The talk took place in the government with a big crowd of people and journalists.

What happened? First of all let me note that the democrats died away long ago in Buryatia while the Communists on the contrary have become very active. Although until recently they did not show themselves in any way in sociopolitical life. They only held meetings in the primary organizations, but after the December elections in which the CPRF [Communist Party of the Russian Federation] obtained 47.9 percent of the votes. If you compare them with the Irkutsk Oblast inhabitants the latter "gave" the Bolsheviks 16 percent of their votes and the Chita Oblast inhabitants gave them just 2.8 percent.

The point is that the Buryat Government has formed a republican department of the Russian sociopolitical and coordination council for supporting Boris Yeltsin's nomination as presidential candidate. On a public basis they formed the "Soskovets staff" in accordance with the practice customary in executive power structures. It was that which the present Bolsheviks and their leader Vandan Bazarov did not like. With his permission the "Social Justice" bloc, which includes local Leninists, stated, as prescribed, "on behalf of the people," that the president had tricked us, has betrayed his political convictions. It turns out that Potapov supports Yeltsin.... The point is that Potapov was indeed nominated by that bloc for the post of the republic's president.

The statement "on betrayal" was printed by PRAVDA BURYATII. The president, who is at the same time

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chairman of the government, reacted immediately, convening a press conference. Here Potapov dotted all the i's: He is in favor of a market-based, socially oriented, state-regulated economy. He then said that Russia can no longer be turned from the path along which it is traveling. That path may sometimes be painful and hard but to turn back would mean losing even more.

I quote Potapov verbatim: "President Yeltsin," he said, "is the head of state legally elected by the citizens of Russia and I am the legally elected president of Buryatia. In the 18 months of our cooperation we have, albeit with difficulty, found a common language. For instance, a treaty has been signed on the delimitation of subjects of control and powers between the organs of state power of the Russian Federation and Buryatia, that is we have put everything on a legal basis.... Boris Nikolayevich is resolving attentively and promptly all questions raised by us...."

So that the Zyuganovites' efforts were in vain: Leonid Potapov's position is honest, without a dual morality. And the people of Buryatia receive him kindly — both Buryats and Russians. Of course it is hard for him to work when there is an enormous number of problems and the left-wing parties are preaching the principle of the worse things are, the better. And the fact that the Russian Federation Government decree cites Buryatia among the 11 economically depressed regions is a serious fact which requires no commentary. In brief, "Social Justice" should help its president and promote the search for the best economic course. The "fighters" for social justice are in fact operating in the opposite direction.

Now about who the chief "controller" is and whom he represents. Vandan Bazarov was until this an unremarkable party functionary who was in command of rural rayon committees. Even today with activists there he is nostalgic about the soviets. And the abundance of all kinds of meat and other foods in urban and rural stores and at the market and at low prices he explains on republican radio by the fact that the peasants have slaughtered their last cows and are selling them.

Bazarov's main concern and that of other CPRF functionaries is that on each occasion they arrogate the role of expressers of "the interests and aspirations of the working people" but few people in Buryatia believe them any longer. And they are angry that "Buryatia's executive branch in alliance with commercial and financial structures has embarked on the path of open support for Yeltsin's power...." And I permit myself to note that the bloc on whose behalf they act is not all Buryatia but its "broad masses."

I should like to remind you that at the elections when Boris Nikolayevich was made president 34.5 percent of Transbaykal inhabitants voted for him but at the April 1993 referendum 51.8 percent of Buryatia's inhabitants expressed trust in him. What will the figure be this summer? The first to speak on the eve of the forthcoming elections was the Buddhist-Christian Union in its statement: "We have received the main thing — religious freedom, economic independence, and human rights," the statement says. Over these years Boris Yeltsin has fulfilled his main promise — he has begun to restore each Russia's dignity... through a rule-of-law and democratic state. Let him continue his people's program for the resurrection of a new, spiritual, and stable Russia."

Russia: Dual Power Situation Emerging in Dagestan Republic

MK0604060596 Moscow NEZAVISIMAYA GAZETA in Russian 5 Apr 96 p 3

[Unattributed NEGA report: "Dagestan"]

[FBIS Translated Text] Magomedali Magomedov, chairman of the Dagestan State Council, has urged Government Chairman Abdurazak Mirzabekov to appoint Gamid Gamidov, deputy of the Russian Federation State Duma and president of the Gamid-Bank, to the position of Finance Minister, dismissing Daniyal Zakerzhev who currently holds the post. Observers believe that the replacement of the finance minister will result in two parallel governments operating in the Republic: one led by the incumbent chairman of the Cabinet of Ministers and the other headed by Magomedov and Gamidov, controlling the republic's fiscal policy.

Economic Issues

Russia: Central Bank Demands Commercial Banks Meet Reserve Levels

LD0804203296 Moscow ITAR-TASS World Service in Russian 1423 GMT 8 Apr 96

[By ITAR-TASS correspondents Vladimir Zadera and Nadezhda Anisimova]

[FBIS Translated Text] Moscow, 8 April (ITAR-TASS) — The Central Bank intends introducing fines beginning 1 May for banks which do not meet compulsory reserve requirements, Sergey Dubinin, chairman of the Russian Federation Central Bank, said today. He was speaking at the sixth congress of the association of Russian banks.

Expressing his disagreement with the accusations made at the congress concerning the extremely harsh Central

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Bank policy towards the commercial banks, Dubinin noted that the Russian Central Bank had softened its policy substantially, lowering the level of compulsory reserves: from 20 to 18 percent of ruble assets and from 1.5 to 1.25 percent of hard currency assets. The total volume of centralized reserve deductions is 20 trillion rubles instead of the 28 trillion rubles proposed.

Dubinin reported that the Russian Central Bank intended to make credit rates the main indicator of the financial resources in Russia. As you know, this role is currently played by the state securities market.

The chairman of the Russian Central Bank noted that following a slight increase in money supply, the pace of growth again fell at the beginning of the year. It is now growing more slowly than inflation.

Russia: Moscow Said To Benefit From Market Reform

964E1600A Moscow NEZAVISIMAYA GAZETA in Russian 19 Mar 96 p 4

[Article by Antonina Kanina: "Moscow Is the Only Free Economic Zone in the Country: Capitalism Can Be Built in Russia Only in an Individual Model Communist City"]

[FBIS Translated Text] The property stratification between Moscow and the rest of Russia, familiar from as far back as Soviet times, is increasing swiftly. What is this, a fortunate coincidence for the capital, or conformance to principle, which has assigned it the status of a wealthy city "in perpetuity"?

We could, with full reason, claim that it is conformance to principle. Moscow does not have to bear the colossal "overhead," which falls to the state as a whole. It is a matter of guarding the largest boundary in the world, of financing the problems stemming from armed conflicts and financing a huge army in general, and of gigantic outlays for the country's transport infrastructure — that is, of everything, which substantially reduces Russia's competitiveness as an economic power and explains the extremely slow rates of market development throughout the last two centuries.

Without delving deep into special calculations, we would be within our right to draw the conclusion that a market system could have been efficiently built in Russia only on an individual fragment of its territory, free of the burden of all the above-listed expenditures. This region, individual with respect to its potential, should have resembled the densely populated small countries of Europe or the American states, which are also free from the burden of this type of outlay.

Strictly speaking, the attempts to create free economic zones (SEZ) in Russia (in Kaliningrad Oblast, in the city of Nakhodka and even in Ingushetia) were also an unconscious striving to create fragmentary dynamic regional markets, free of the need to pay the debt for the historic mission of the whole state connecting Europe and Asia.

Consequently, from the very beginning of the market changes, Moscow has found itself in a privileged position. The West began to regard it as a base for the opening up of Russia. The well-developed transport infrastructure and telecommunications contributed to this. Foreigners — the bearers of capitalist ideology — dashed to Russia through the gates of Moscow.

In addition, the concentration in the capital of people making state, investment, trade and other economic decisions also caused the potential Western partners to lay their Russian route through Moscow. A large part of them were later on forced to stay in the capital, since it proved virtually impossible to relay the decisions made in Moscow over the vast Russian distances. The flow of foreigners (at present there are about 700 representatives of German companies alone based in the capital) has naturally led to the creation of a sphere of services which come up to international standards.

It is surprising that Moscow, which has virtually no nearby natural resources, nevertheless takes advantage of its geographical position (halfway between Western Siberia and the European countries) in the transport of gas.

Mostransgaz, the subsidiary company of the Gazprom RAO, is the second most important gas transport firm in Russia, with respect to the length of the main pipelines (23,898 km), and is only negligibly inferior to Tyumentransgaz. With respect to the length of pipelines connected up into a unified system, Mostransgaz is several times bigger than virtually all the major West European commercial gas firms, with a turnover of $8-10 billion a year.

Moscow was the first to obtain convertible currency — the dollar — to supplement the national monetary unit. This gave a powerful impetus to the development of the city's consumer market. For a while here, one-ruble notes and dollars were close neighbors in the economy. Later on, it is true, the free circulation of the dollar in the capital was forbidden, but the capitalist ideology which it fostered succeeded in bearing its fruit in the form of a well-formed segment of Western trade.

Finally, Moscow, from the very beginning of the reforms, has been strengthening its special administrative status. The city authorities, making use of the fact that

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the government and parliamentary institutions are located on the territory of the capital, could obtain special "market" rights in the management of the city's economy. A special privatization procedure existed in Moscow, and a gigantic regional corporation was set up to manage real estate and land, which appreciably facilitated the attraction of foreign and Russian investments to the city.

Moscow's special status made it possible for the city authorities to obtain massive state aid. This pertains particularly to the subsidies for the purchase of food products. The city's lack of food problems improves the investment climate, "incidentally" lessening social tension.

As far back as Soviet times, Moscow possessed the privileges of a model communist city, with all the ensuing consequences of priority supply of commodities. This meant that, by the beginning of the 1990's, the capital had all the prerequisites for a smooth transformation from one type of privileges to another.

It was not all that easy to do this, though. It took a "subjective factor," in the person of the present mayor, for the capital to achieve the special market status. The model communist city was replaced by the state-corporative monopoly of the Moscow government.

Virtually all the sectors of the city economy, to varying degrees, are controlled by the capital's municipal council. It is sometimes hard to tell where the domain of the municipal bodies ends and the sphere of influence of the private joint-stock companies begins.

Luzhkov created a paradoxical economy, in which the signs of the typical bureaucratic market (direct participation of the municipal council in the city business) are combined with economic freedom such as the boldest representatives of liberal thought could not have imagined. It is a matter of private companies executing regional-authority functions. A graphic example is the activity of the Mosprivatizatsiya AO, which regulates all housing transactions in the capital.

Let us examine the basic phenomena of Moscow's "capitalist nature."

The Most Privately-Owned City in Russia

Privatization began in Moscow in 1992, in accordance with an edict of the RF president, which granted the capital the right to carry out accelerated privatization of municipal property, in accordance with independently drawn-up rules and schedule. As a result, a considerable part of the small enterprises, mainly in the sphere of trade, everyday service and public catering, was sold to the work collectives even before the active campaign for check (voucher) privatization in the Russian Federation, the peak of which was to come in 1993.

By the middle of 1994, the state sector in Moscow accounted for only about 20 percent of the city's enterprises and organizations.

The proportion of privatized commercial enterprises in Moscow considerably exceeds the average proportion for Russia as a whole. The number of enterprises which have become joint-stock company enterprises in their structure is triple the average Russian indicator. Privatization in Moscow has brought in more than one-fourth of the incomes obtained on the whole for Russia.

It is significant that privatization has had a serious effect on the structural changes in Moscow industry. The proportion of the sectors of industry which primarily provide for the needs of the consumer market (food, building materials) has increased, and the proportion of sectors working for the country as a whole (machine building, metalworking, the VPK [Military Industrial Complex]) has decreased.

Moscow is therefore gradually losing the role of one of the major industrial cities and is turning into a trade and financial center. It might be assumed that Moscow's large industry did not withstand the competition with the rapidly growing trade and financial capital which redistributed the assets of the industrial enterprises in its own interests.

The rapid privatization of apartments is a good indicator of the "marketization" of Moscow. The establishing of the housing market in the capital was in the nature of a landslide. For example, while in 1991 only a few thousand apartments were sold, in 1992 about 60,000 were sold, and in 1993 up to 10,000 transactions a month were completed. In all, from March 1992 to 1 August 1995, the Department of Municipal Housing registered 333,437 transactions for the disposition of housing accommodations, including — 112,193 in 1994 and 75,057 in seven months of 1995, which constitutes 56 percent of the total number of transactions with residential real estate, from the moment that legislative acts directed toward legal regulation of housing relations were issued. This number of transactions is an indicator of an adequately developed housing market.

Secondary transactions for the disposal of housing facilities account for about 40 percent.

Moscow has recently begun to stir up the market for leasing housing accommodation. The number of tenants and landlords is constantly increasing, and the number of middleman firms working in this sector of the market is growing.

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As before, the residents of Russia's provincial cities and the countries of the near abroad constitute 70-80 percent of the demand for apartment-leasing in Moscow. Young Moscow families who have decided to live away from their parents account for a negligible proportion.

Foreigners make up the rest of the demand. Because of the present construction boom in Moscow, a large number of construction-specialty workers from Turkey and Yugoslavia, and also from the CIS, have recently converged there. This stratum of the population prefers to lease inexpensive apartments on the outskirts of Moscow, in the area that is closest of all to their work place.

At the same time, among the foreigners, there are also representatives of the highest link in the administrative chain of the foreign companies which have representatives in Russia. This category of lessee prefers apartments with about three or four rooms, within the limits of the Sadovoy Ring. At the same time, great significance is attributed to the level of the decor, the quality of the furniture, the household appliances, security systems available, etc. A view of the Kremlin, the presence of a concierge, and the prosperity of the area also plays a big role for foreigners. The rent for apartments like this may reach $3,000 month.

The Largest Financial Center in the Country

The absolute financial supremacy established in Russia is beyond all Moscow's expectations. According to some estimates, Moscow accounts for up to 70 percent of Russia's banking turnover. The overwhelming majority of Russian commercial banks and subsidiary companies of major foreign banks are registered in Moscow.

The most important reason for the rapid financial growth is, of course, the swift development of the city's economy, whose needs are served by monetary capital.

The concentration of financial resources in the "free zone," which Moscow has essentially made of itself, is not surprising either. The sufficiently wide circle of companies, close to a state-cooperative monopoly, makes use of the privileges (contracts from the Moscow government, vast segments of the market unoccupied, accounts of the Moscow government), which in total surpass the privileges for private business in the SEZ and offshore zones.

The federal budget is also operating on Moscow financial capital, which gives it the opportunity for good business, in the form of budget accounts and purchases of strongly undervalued shares in enterprises which have nothing to do with Moscow itself.

Finally, all the basic financial and stock market sites attracting Russian capital are based in Moscow.

It is characteristic that in Moscow, as distinct from the rest of Russia, an investment upswing is being observed — as compared with the preceding year, the growth rates of capital investments were 111.21 percent. At the same time, the total volume of capital investments in the first half-year dropped by 22 percent.

In the first six months of 1995, $259.9 million worth of foreign investments were invested in the Moscow economy, which constitutes 37 percent of the total contributions of foreign investors to Russia's economy in this period.

Enterprises with foreign investments (PII), or joint ventures (SP) constitute the most widespread organizational-legal form of foreign investments in Russia.

Forty percent of the total number of enterprises and organizations operating in the Russian Federation with the assistance of foreign capital are operating in Moscow.

The number of PII registered in Moscow made up a considerable proportion of the joint enterprises in Russia throughout the years of reform, and grew more quickly than on the average for Russia. This serves as indirect confirmation of the fact that the presence of an infrastructure which Western businessmen need and are accustomed to is an important factor in attracting foreign investors.

By 1 June 1995, the number of registered enterprises assisted by the foreign capital of the countries of the far abroad and the CIS reached 8,156. They produced goods and rendered services worth 4,885.9 billion rubles [R], exported commodities and services worth a total of $1,062.1 million and imported a total of $769.4 million dollars worth.

The Most Capacious Consumer Market

Moscow is a city of very solvent purchasers by Russian standards. Statistics substantiate the differences in the wealth of the capital city and other regions with "entrepreneurial-orientations" of the residents of Moscow — the proportion of "nonwage" sources of income is growing here.

New sources of income in recent years have been the receipts from investing in investment companies, securities, insurance companies and currency operations, receipts from the development of the small-wholesale market in imported consumer goods and various types of activity in the sphere of services. Among the nontraditional means of subsistence today are funds from

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capitalizing real estate (sale and lease of apartments), handling private transport conveyance, etc.

According to official data, Moscow is characterized by an increasing gap between the indicators of monetary incomes per capita and the average wage of the workers, while, everywhere in Russia, the average wage of the workers substantially exceeds the average per capita monetary income.

For example, while on the whole for Russia, the ratio of the average wage to the average per capita income was 142 percent in 1995, 139 percent in 1992, and 103 percent in 1994, in St. Petersburg it was, respectively — 122, 118 and 110 percent, in Sverdlovsk Oblast — 145, 140 and 128 percent, in the Republic of Komi — 122, 118 and 149 percent, in Tyumen Oblast — 144, 133 and 135 percent, in Moscow it equaled 70 percent in 1995, 92 percent in 1992 and 58 percent in 1994.

Holding 15th place in 1994 with respect to the size of the average wage, Moscow has steadily occupied first place among other regions with respect to the level of monetary incomes per capita for the population.

In the capital, therefore, a stable circle of people whose incomes are primarily formed from "side-income" forms of activity — investments or small-wholesale trade — has formed and is growing. These types of activity are "side-income" only with respect to the "status" of the basic and additional work-place, but not with respect to the size of the income drawn. Playing the role of a petty "rentier" or a small tradesman often proves to be more "income-making" than an official service.

The social stratification for Moscow is more intensive than for Russia. For example, while for Russia the proportion of incomes of the 20 percent of the richest part of the population has increased, during the period under consideration, from 46.3 percent in 1994 to 47.1 percent in the first six months of 1995, in Moscow it has risen by 10.2 percent — from 62.3 percent to 72.5 percent respectively. At the same time, the income proportion of the first and second groups in Russia has remained virtually unchanged, and in Moscow has decreased by 0.3 percent.

Just as in Russia, so too in Moscow, there is an extremely small proportion of people with average incomes. In the first six months of 1995, the third and fourth groups in Moscow accounted for only 29.8 percent of the incomes, but in Russia they accounted for 37.4 percent and moreover, as compared with 1994, the proportion of these groups decreased by 0.2 percent and 0.8 percent respectively.

Apart from the high market capacity, Moscow, because of the large proportion of people with maximum incomes, is also the most attractive place for trade in "elite" consumer goods.

The Ginnie coefficient, accepted in world practice, which characterizes the degree of concentration of incomes among various groups of the population, was 0.609 in the 2d quarter, which attests to the depth of the social stratification of the capital's population. Let us remember that for the USSR, the Ginnie coefficient was approximately half that.

The proportion of import on the Moscow consumer market is over 60-70 percent.

The Moscow market attracts buyers from other regions. It is a question of the so-called migration demand. According to the observations of the Inkomarket TOO [Limited Liability Partnership] and the Consumer Goods and Services Market, the proportion of demand from other cities for nonfood consumer items in 1995 was 40 percent.

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International Affairs

Ukraine: Kuchma Says Enterprises Support Decree To Aid Progress

LD0804192196 Moscow INTERFAX in English 1805 GMT 8 Apr 96

[FBIS Transcribed Text] HANOI, April 8 (Interfax - Ukraine) — The decree on financial support for enterprises, signed Saturday, will goad them into action, Ukrainian President Leonid Kuchma said in Hanoi Monday in response to an Interfax - Ukraine question. The president is currently in Vietnam on an official visit.

Kuchma said he had long favored "a null variant" for enterprises' debt. The Ukrainian government had long searched for mechanisms to tackle this problem. "Today the penalties and fines are higher than the sums they borrowed," said Kuchma.

Kuchma thinks it is necessary to prolong the period for the restructuring of enterprises' debts, which were restructured for a year or more.

The decree provided for the indexation of their basic assets, noted Kuchma. This must be done "at least once a quarter, as long as we have inflation," he said.

At the same time, "the only exit for incapable enterprises is bankruptcy," stressed the president.

Ukraine: Kiev Seeks Closer Ties With Hanoi

LD0804164196 Moscow INTERFAX in English 1435 GMT 8 Apr 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Ukrainian and Vietnamese Presidents Leonid Kuchma and Le Duc Anh signed a Treaty on Principles of Relations and Cooperation between their countries in Hanoi Monday.

Kuchma is in Vietnam for a two-day official visit. He will arrive in Indonesia Wednesday, April 10.

The Ukrainian and Vietnamese foreign ministers signed an agreement on avoidance of dual taxation and on technological cooperation in Hanoi Monday.

Kuchma told Ukrainian journalists that Kiev wants long-term cooperation with Hanoi in the energy, oil and gas and mining industries. He recalled that numerous Ukrainian engineers took part in construction of two hydraulic power stations in Vietnam.

Ukrainian engineers could repair and overhaul Vietnamese naval and merchant ships and serve Ukraine-made aircraft and engines in Vietnam, Kuchma said.

"We are short of foreign markets and so should take any niche on it," he explained.

Ukraine intends to purchase Vietnamese rubber, Kuchma said.

Asked by Interfax to comment on the decree on financial aid to factories that he signed last Saturday, Kuchma replied that the document will enable numerous factories to stand up on their feet.

Kuchma said that he had for a long time advocated mutual cancelation of debts incurred by factories. He complained that the penalties and fines often exceed the amounts borrowed.

Kuchma believes that the restructuring of debts should be continued for a few more years. They had been restructured for a year.

Kuchma noted that the decree has effectively revalued the fixed assets. "This should be done at least quarterly as long as inflation exists," he said. Kuchma emphasized that bankruptcy should become the only solution for hopelessly ineffectual factories. He added that macroeconomic levers of the reform should give way to steps taken at the lowermost level.

Ukraine: Ukrainian-Romanian Izmail Talks Viewed

WS0904101996 Kiev VSEUKRAINSKIYE VEDOMOSTI in Russian 2 Apr 96 p 3

[Report by Elina Nesterenko: "Meeting at the Izmail Roadstead"]

[FBIS Translated Text] The flame of economic needs should melt the ice of political problems. This was a leitmotif of a two-day meeting and the negotiations between the prime ministers of Ukraine and Romania.

Meeting on the Danube

Yevhen Marchuk and Nicolae Vacaroiu met on "neutral territory" — in the town of Izmail in Odessa Oblast. To reach the site of the meeting the Ukrainian delegation had to fly to the military airfield in Artsyz, and afterwards, to spend nearly two hours in cars which bumped along Odessa Oblast's roads — which are not ideal by far. The guests from Romania arrived on a comfortable ship. However, travelling difficulties did not affect the friendly negotiations and constructive work. The prime ministers held a tete-a-tete meeting in the morning and afterwards, a plenary session of all the participants was held. It is worth pointing out that both delegations were very representative. According to the "delegates" themselves, it was practically a session of the two Cabinets of Ministers.

Of course, the economic aspects of mutual relations were thoroughly discussed. In particular, both sides

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pointed out that — taking into account the gradual implementation of the cooperation potential — there is a possibility to increase the volume of turnover between Ukraine and Romania two- to threefold. As Nicolae Vacaroiu stated at the final news conference, the two sides had determined a number of mutual measures to be undertaken in many fields. Romania expressed an interest in a two-sided project which envisages the construction of a series of hydroelectric stations on the Tisa River. Yevhen Marchuk supplemented his Romanian colleague's speech by adding that during the negotiations the issue of cooperation in the area of navigation on the Danube had been also discussed. Both prime ministers arrived at the conclusion that there is a need to significantly expand and revive the contractual-legal basis of Ukrainian-Romanian cooperation. It was decided to launch the development of six other joint agreements in the immediate future, in particular, on navigation, border cooperation, joint use of water resources, and others.

Obviously, it is encouraging that Yevhen Marchuk and Nicolae Vacaroiu demonstrated mutual understanding and readiness to continue economic cooperation and even further expand it, so to speak, against the backdrop of a not very successful political dialogue between Ukraine and Romania. As we know, negotiations continue at the expert level on the drafting of the text of a full-fledged bilateral agreement. Two clauses of this agreement — a portion of the preamble (saying that Ukraine condemns the Ribbentrop-Molotov Pact) and Article 2 (on the confirmation of borders and on mutual refraining from territorial claims) — have become stumbling blocks.

Yevhen Marchuk and Nicolae Vacaroiu expressed practically identical opinions: The striving for cooperation on the part of both governments will, in the end, have an impact on a more rapid resolution of political problems. However, so far, not everyone in Romania understands the importance of what was demonstrated in the question of a Romanian journalist directed to our prime minister: "What is your attitude toward the Ribbentrop-Molotov Pact?" Any specific answers would be used later on as an indirect argument for proving the fairness of Romanian claims. Simply speaking, against the backdrop of successful negotiations between the two prime ministers, this incident seemed to be a minor provocation on the part of the Romanian press. We have to pay tribute to Yevhen Marchuk: He said that "we should not make curtsies toward historical events. God forbid that we have more pacts of this kind in the future."

We Will Sign the Agreement, But Later On

Undoubtedly, the necessity to sign a political agreement between our states has matured. All in all, it is very important for Ukraine to primarily develop economic relations. The absence of this document seems to be a hindering factor for certain people. Besides, given that the issue of the division of the continental shelf remains unresolved, we cannot begin the work on the exploitation of potential deposits of oil and gas. Provocative statements heard from time to time from the Romanian side (let us recall the statements expressed by Romanian Foreign Minister Teodor Malescanu on the national status of Zmiyinyy Island) do not facilitate the development of economic relations.

The situation is more problematic in Romania. This state has filed a motion to enter NATO. Despite the fact that many Romanian politicians regard their country as an outsider on the list of "applicants," there is always a chance for a positive resolution. However, only the state which does not express territorial claims toward any country can become a member of NATO. Meanwhile, in the Romanian press Ukraine is very often called an invader; there are calls for the restoration of the Great Romania at the expense of annexing northern Bucovina, a part of Odessa Oblast, and Zmiyinyy Island. Furthermore, these kinds of aspirations are called the most important goals of the Romanian nation. Nevertheless, we can also hear sober voices in political circles — which express support for signing the agreement. However, these opinions are backed by quite strange arguments. According to parliamentary deputy Dobrescu, member of the Social Democratic Party: "Strong and friendly Ukraine is the best buffer between Romania and the powerful state in which imperial tendencies are reviving" (meaning Russia).

Another reason which explains the hampering of the signing of the agreement is quite a banal one: Romania is on the threshold of presidential elections. On the one hand, the signing of a bilateral agreement with Ukraine would be a very popular move. The establishment of normal relations with the neighboring country would eliminate certain tensions and discords within Romanian political circles. On the other hand, against the backdrop of calls for the establishment of Great Romania this move seems to be disastrous for President Iliescu's career. Judging by everything, one can predict that the signing of an agreement will be postponed until the end of the presidential elections in Romania.

Nevertheless, there is hope that political discord between our states will become a matter of the past. After all, politics is governed by economics. The fact that both governments expressed a wish to continue cooperation

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and, moreover, acknowledged a mutual need to cooperate, brings some optimism to this issue.

The Romanian delegation left Izmail after an extended friendly dinner which lasted almost one hour longer than initially planned, (which is another indicator of mutual understanding.)

"Floating" News Conference

On the same day the Ukrainian prime minister organized another event: He held a news conference on the issues related to the drafting of the program for the development of the Black Sea region with the participation of the leaders of Mykolayiv, Odessa, Kherson Oblasts, and Crimea. This meeting was held on board of the "Volga" ship which slowly sailed the waters of the Danube — which, unfortunately, is not blue so far. Yevhen Marchuk looked a bit tired after the strained negotiations with the Romanian delegation, but this did not prevent him from directing the conversation toward a more specific channel. As a result, the conversation held between the prime minister and representatives of regions was quite an open one. Mr. Marchuk underscored the importance of the discussed document — given that it regulates relations between regions and the central administration. Yevhen Marchuk pointed out that the unbalanced nature of mutual relations creates a dangerous situation in the country and may lead to significant social upheavals, including the collapse of the state.

The participants of the conference expressed their opinions on the program. Judging by everything, many problems had accumulated in the Black Sea region and the majority of them have to be resolved by common efforts of all the oblasts of this region. It became clear from statements that the lack of fresh water seems to be one of the most urgent problems, and this issue had become almost the primary one, since its resolution will make it possible to resolve an ample range of similar tasks.

While summarizing the results of the meeting, Yevhen Marchuk said: First, it is time we begin make calculations in accordance with the program [for the development of the Black Sea region] and continue further development of the program taking into account our actual financial potential. Second, the drafting of the program may take up to 50 years, and in essence, this may be justified. Therefore, it is necessary to select the most important issues and begin to implement solutions now. And third, the prime minister called on the leaders of the oblasts to make every effort to bring political stabilization to the provinces. He underscored that not a single serious investor would invest his money in a country with an unpredictable future.

The prime minister paid special attention to the situation in the Autonomous Republic of Crimea. As we know, the Crimean Supreme Soviet had sent open letters recently to the Organization for Security and Cooperation in Europe, the UN, other international organizations, and to the presidents of Ukraine and Russia. The letter reads that the Autonomous Republic's rights, as well as other rights, are violated in Crimea. Yevhen Marchuk called this document an "overt lie" sent to Europe. As a result, he said, not a single foreign investor would even look in Crimea's direction for a long time. As long as "political amateurishness and machinations" will play a dominant role in mutual relations between Kiev and Simferopol, no considerable investments would be made into the economy of Ukraine or the Autonomous Republic of Crimea. The prime minister underscored that serious investors take into account even seismic stability, not to mention political stability.

The itinerary of Yevhen Marchuk's visit to Odessa Oblast also envisaged visits to a number of facilities and a motor ship cruise on the Danube. However, the state of affairs demanded Yevhen Marchuk's presence in Kiev. Therefore, the Ukrainian delegation left the hospitable Izmail territory well after midnight.

Ukraine: Kuchma 'Confident' Yeltsin Will Visit Ukraine

LD0804161396 Moscow INTERFAX in English 1557 GMT 8 Apr 96

[FBIS Transcribed Text] HANOI, April 8 (Interfax-Ukraine) — Ukrainian President Leonid Kuchma has said he is confident that Russian President Boris Yeltsin will visit Ukraine.

"If this visit's fulfillment depended only on the Russian president's good will, the visit would have taken place long ago," Kuchma said at a news conference in Hanoi Monday held within the scope of his official visit to Vietnam.

Ukraine "will do its best in order to preserve normal friendly relations with Russia," Kuchma said, adding that Ukraine "does not make a tragedy out of" the creation of a community between Russia and Belarus. "This is the right of the Russian and Belarussian peoples," he said.

"Ukraine believes that the creation of independent republics on former USSR territory is de facto and there is no way back," Kuchma said. Ukraine proceeds from its national interests and will stand for broad integration on former USSR territory on the basis of equality, he said.

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Regarding relations with Russia, Kuchma in particular cited the possibility of bilateral cooperation in the area of the military-industrial complex. "Ukraine and Russia have lost markets due to which they could carry out defense conversion," he said. Ukraine is interested in both joint production of products intended for military-technological purposes and their joint sale, Kuchma said.

Ukrainian companies "have all necessary capabilities for cooperation with Vietnamese companies" because "Vietnam declared the year 1996 as a year of industrialization," Kuchma said. "Ukraine can provide technical and technological support to the Vietnamese economy," he said.

Ukraine: Kiev, Moscow Agree To Divide Ships in Sevastopol by 31 May

LD0804130696 Kiev UNIAN in Ukrainian 1035 GMT 8 Apr 96

[FBIS Translated Text] Sevastopol — UNIAN has learned from sources close to the Black Sea Fleet headquarters that Ukraine's Naval Forces and Black Sea Fleet commissions set up to arrange the transfer to Ukraine of the fleet's facilities outside Sevastopol and 54 ships and vessels stationed in Sevastopol harbor held their first meeting today on the premises of the Black Sea Fleet hydrographic service. The sides, led by Rear Admiral Mykola Kostrov, chief of staff, first deputy commander of Ukraine's Naval Forces, and Vice Admiral Gennadiy Suchkov, first deputy commander of the Black Sea Fleet, agreed that under the accords reached by the Ukrainian and Russian defense ministers the work which began this week should be completed by 31 May 1996.

At the meeting the sides also discussed drawing up and further coordinating a provisional plan for the joint basing of the Black Sea Fleet and Ukraine's naval forces in Sevastopol.

Ukraine: Dep. Defense Minister Reviews Results of Talks With Russia

MM0904110996 Moscow KRASNAYA ZVEZDA in Russian 6 Apr 96 p 2

[Report by Grigoriy Nesmyanovich: "Noise of Sevastopol Surf Reverberates Around Carpathian Mountains. Or How Ukrainian Side Views Results of Russian and Ukrainian Defense Ministers' Meeting"]

[FBIS Translated Text] Kiev — Addressing journalists recently, Colonel General Ivan Bizhan, Ukrainian deputy defense minister, recalled that the meeting mainly discussed the future of the Black Sea Fleet and the division of its infrastructure, bases, and ships. Three agreements were signed; in addition, the sides agreed to cooperate in the field of physical training and sports.

Repeatedly emphasizing that both sides have an interest in further developing bilateral relations, Col. Gen. Bizhan flatly denied journalists' hypotheses regarding Ukraine's gradually joining the CIS security system. At the same time, according to the journalist, undoubtedly only good can come of close cooperation between the two armies, which are performing similar tasks in the Black Sea and in the air, and the coordination of their actions in emergency situations.

In this connection the sides acknowledged the need to speed up the signing of an intergovernmental agreement on early-warning and space monitoring systems, taking account of the changes made by the Russian and Ukrainian defense ministers in Sochi. Naturally, during the talks every point was linked in one way or another with the resolution of financial problems. According to Gen. Bizhan, this was of particular interest to the Ukrainian side. In particular as regards payment for the completion of the ships, started in Ukraine's shipyards back in the days of the USSR, which Russia would like to see in its squadrons. Under the agreement that has been signed arrears owed under these contracts will be paid off this May or June.

Nonetheless the question of the fate of Sevastopol will be the main one for the future. The situation as regards the ships is clear. Ukraine will get 164 combat units, not counting auxiliary vessels, but has so far only received 24. The huge stocks of missiles, torpedoes, and mines, which are by no means safe owing to their lengthy time in storage, will be divided up 50:50 in accordance with the schedule. And both sides will recycle them autonomously.

Ukraine hopes to receive a definite amount of revenue from Russia's leasing ABM defense systems in the Transcarpathians and in Crimea, which are to be used solely in the interests of the Russian Army.

Meanwhile Sevastopol with its five bays, where around 500 craft can be housed in the main Sevastopol Bay alone and another 200 in the four others, is waiting for its fate to be decided once and for all. A decision that only the politicians can make.

Ukraine: Kiev, Russia Discuss Chemical Weapons Storage

LD0804195696 Kiev UNIAN in Ukrainian 1645 GMT 8 Apr 96

[FBIS Translated Text] Kiev — Over the last few years the Black Sea Fleet has caused ecological losses amounting to $19.6 billion, Colonel Ihor Mazur, head

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of the ecological department at the Ukrainian Defense Ministry, said at a briefing. According to him, the greatest threat to Sevastopol is from a liquid fuel base, oil products from which are flowing unimpeded into the sea. Mazur noted that the Black Sea Fleet command had still not presented documents on the storage of chemical weapons near Crimea in Black Sea waters, and that this issue was the subject of talks between the Ukrainian and Russian Defense Ministries.

Mazur said that as well as the Black Sea Fleet, military facilities are threatening nearby areas because of oil products leaking into the ground water. These include army garrisons in Belaya Tserkov, Zaporozhye, Krivoy Rog, Lutsk, Poltava, and Uzin.

According to Mazur, the Defense Ministry has approved a comprehensive program of ecological provision for the armed forces, which envisages a number of measures to improve the state of the environment around the most polluted garrisons, using local funds and state and foreign aid.

Ukraine: Kiev Seeks European Funding for Nuclear Energy Projects

LD0804192896 Moscow INTERFAX in English 1805 GMT 8 Apr 96

[FBIS Transcribed Text] KIEV, Apr 8 (Interfax - Ukraine) - The Ukrainian State Committee for the Use of Nuclear Energy has offered the European Commission about 30 projects aimed at increasing the safety of four Ukrainian nuclear power plants, at a total cost of ECU 22 million. These projects may be financed in 1996 as part of the TACIS program.

The package of proposals has been submitted to a conference in Brussels charged with drafting the TACIS-96 program, the Ukrainian committee's press office told Interfax-Ukraine Monday.

There is a separate project for the safety of Ukraine's Chernobyl nuclear plant.

In what relates to nuclear safety, the European Commission's TACIS program is aimed at maintaining the use and increasing the safety of nuclear power plants in the newly independent states. Since 1993, a program of on-site assistance has been under way as part of TACIS. The Ukrainian State Committee for the Use of Nuclear Energy receives assistance in the training of personnel for the nuclear industry, in the utilization and safe transportation of nuclear waste.

According to the Committee, it received ECU 70.2 million in 1992-1995 under the TACIS program, including 19.3 million in 1994 and 15.2 million in 1995. The money is used principally to finance engineering research, purchase and supplies of equipment for Ukrainian nuclear plants by foreign companies, including on tender terms. Ukraine is expected to receive assistance under this regime until the year 2000.

Under the TACIS-92 program, an project worth ECU 14 million for increasing the safety of Ukrainian nuclear plants has been completed, as equipment and spare parts arrived for the Zaporozhye, Rovno and Yuzhnoukrainskaya plants.

Within the TACIS-93 program, the Vestron joint venture, founded by the Kharkov-based Khartron company and the U.S.' Westinghouse, won a tender on the project of controlling the level and use of water at the Yuzhnoukrainskaya plant.

Last March, Germany's Brandschultz supplied ECU 1 million worth of materials for fireproof coating of girders and columns of machine rooms at the Zaporozhye plant.

Ukraine: Nuclear Energy Agreement Signed With China

WS0904085496 Lvov INFOBANK in English 0640 GMT 9 Apr 96

[From the "News Service" feature]

[FBIS Transcribed Text] The press service of Ukraine's State Committee for the Utilization of Nuclear Energy has told INFOBANK that during a recent visit to China a delegation from this committee signed an agreement regarding cooperation in the utilization of nuclear energy with China's State Nuclear Industry Corporation.

The agreement stipulates that both sides should take part in joint projects for the extraction and processing of uranium ore, the construction and exploitation of nuclear power plants, the processing of used nuclear fuel, and radiation and nuclear safety. According to the first deputy head of Ukraine's State Nuclear Energy Committee Nur Nihmatullin, who headed the Ukrainian delegation, China is primarily interested in turbines produced by the Kharkov TurboAtom plant and pumps manufactured by the Frunze manufacturing association in Sumy as well as projects and plans designed by Ukrainian institutes.

Ukraine: Marchuk Urges Financial Support for Chernobyl Closure

AU0904114796 Paris AFP in English 1127 GMT 9 Apr 96

[FBIS Transcribed Text] Vienna, April 9 (AFP) — Ukraine cannot go ahead with the promised closure of

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the Chernobyl nuclear power plant without help from the international community, Prime Minister Yevgeniy Marchuk said on Tuesday.

"We confirm our intention as expressed in the memorandum of understanding about closing down (Chernobyl)... by the year 2000," Marchuk said at the opening of a four-day conference on the consequences of the Chernobyl explosion 10 years ago this month.

"Without real concrete financial support from the international community, the Ukraine, considering its financial situation, cannot do this alone," he said. "The Ukraine has still not gotten adequate financial support to solve this."

The explosion sent up radiation that was detected across the Northern Hemisphere.

Some 1,000 scientists are taking part in the Vienna conference to explore the health, social and economic fallout of the Chernobyl disaster on April 26, 1986.

National Affairs

Ukraine: Kuchma Reportedly Seeks Resignations of 'Key' Figures

WS0804125396 Kiev INTELNEWS in English 0033 GMT 8 Apr 96

[From the "Economic Review" feature]

[FBIS Transcribed Text] Apparently tired of opposition to his policies among key government figures, President Leonid Kuchma called on April 3 for disgruntled officials to quit. The first to "quit," according to presidential aid Volodymyr Kuznetsov, will be Volodymyr Naydionov, chief of the Cabinet of Ministers Center for Economic Development and Reconstruction and the author of several publications in the Ukrainian press severely criticizing Kuchma's economic policies. Delivering his annual state of Ukraine address to Parliament April 2, Kuchma called outspoken criticism of his policies from within the administration as "dissidence." Further, said Kuchma: "Such free-thinking costs much to the country, and we are not going to tolerate it any more," Kuchma said.

Ukraine: Supreme Council Speaker Moroz in Intensive Care

LD0804211796 Kiev UNIAR in Ukrainian 1900 GMT 8 Apr 96

[FBIS Translated Text] Kiev — Mykola Lavrynenko, secretary of the socialist faction in the Ukrainian Supreme Council, told a UNIAR correspondent that on Sunday, 7 April a group of socialist people's deputies had visited the hospital in Feofaniya, where Supreme Council Chairman Oleksandr Moroz is. But, as Oleksandr Moroz is in intensive care and his condition is still very serious, the delegation was not allowed in to see him.

Ukraine: By-Elections Results Detailed

WS0904085396 Lvov INFOBANK in English 0640 GMT 9 Apr 96

[From the "News Service" feature]

[FBIS Transcribed Text] On April 7 members of parliament were elected in by-elections in six electoral districts of Ukraine. Two are Communist Party members - head of the Parus joint stock company Vadym Zachosov (Sevastopol) and a lecturer from the Mykolayiv Pedagogical Institute Vasyl Kuzyev (Mykolayiv) - and four are non-partisan - Ukraine's deputy general prosecutor Olha Kolinko (Lvov), a coordination council member of the "Vybir" ("Choice") civic association Volodymyr Bondarenko (Kiev), president of the Praveks concern Leonid Chornovetskyy (Kiev), and head of the Proskuriv agribusiness firm Ivan Rudyk (Khmelnytskyy Oblast).

In 23 districts there were no election results due to a too-small turnout and in two - in Sevastopol and Cherkasy Oblast - a second round of elections will be held. After the first round candidates who remain in the running are the director of Sevastopol's state-owned forestry enterprise Mykola Lutsenko and a Communist Party member and college lecturer Anatoly Yurkovsky in Sevastopol and regional court judge Volodymyr Pivtorok and first secretary of the Communist Party's Cherkasy City Committee Oleksiy Starodub.

By-elections to parliament have been held five times since the presently elected parliament began its first session. By-elections were organized in 31 election districts.

Ukraine: Official Warns of Epidemics Due To Contaminated Water

WS0904085196 Kiev INTELNEWS in English 0407 GMT 9 Apr 96

[By Viktor Kovalenko, "Special to INTELNEWS"]

[FBIS Transcribed Text] Kiev, April 8 — Ukraine faces a major outbreak of infectious intestinal disease this spring as a result of the unsanitary condition of its water supply, a Health Ministry official told INTELNEWS Monday.

"The general situation with drinking water in Ukraine has very seriously worsened as of today," said Anhelina Moiseyeva, chief of the ministry's sanitary-epidemiological department. "Every seventh or eighth

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water sample does not meet microbiological characteristics requirements, both in the cities and countryside."

Moiseyeva said that 60 percent of the water in Ternopil oblast's artesian and other wells, in addition to 30 percent of Kiev oblast wells, fail to meet minimum sanitary standards.

She said that, despite the fact that five ministries and state agencies claim to be responsible for Ukraine's supply of drinking water, Article 18 of the Law on Sanitary-Epidemiological Safety leaves places this responsibility in the hands local authorities.

None of these officials, she charged, are taking measures to improve the situation and prevent intestinal disease outbreaks.

In addition, Moiseyeva said, the prerequisites for a recurrence of last year's cholera epidemic in Mykolayiv oblast have not been eliminated.

Due to the poor quality of drinking water, epidemics of this disease started in Mykolayiv in July of the two preceding years, during which time half of Europe's cholera cases occurred in Ukraine. "The water coming to the Zhovtneve Reservoir feeding the city (of Mykolayiv) is safe now," she said. "But the state of water-supply and sewerage systems is such that anything may get in there."

She said that, if local authorities do not put these systems in order before June, the only way to avoid epidemics will be to truck drinking water to Mykolayiv during the entire summer.

According to the health official, Kiev's drinking water has the fewest number of irregularities among Ukrainian cities, and the situation here does not excite apprehension so far.

Economic Issues

Ukraine: Vice Premier Notes Signs of Economic Recovery

WS0904090195 Kiev UKRINFORM in English 0640 GMT 9 Apr 96

[From the "Current Events" feature]

[FBIS Transcribed Text] As reported by UKRINFORM's finance correspondent, Ukraine's Vice Premier in charge of economic reforms Viktor Pynzenyk has visited the European Commission's representative office in Kiev by invitation of a European Commission delegation to Ukraine. Analyzing the economic situation in Ukraine at the request of the delegates, Mr. Pynzenyk noted that substantial changes have taken place in the country since radical economic reforms began. He noted that the rate of production decline has reduced considerably. According to Mr. Pynzenyk, production increased in the energy, ferrous metal, and chemical industry sectors. He also noted that the rate of exchange of the Ukrainian karbovanets to the dollar has relatively stabilized and this has facilitated the flow of hard currency funds to Ukraine. As Mr. Pynzenyk further disclosed, about $1.5 billion was returned to Ukraine last year. The volume of the currency market expanded from $280 million in January 1995 to $1.3 billion in February 1996. Mr. Pynzenyk also disclosed that over 16,400 enterprises have been privatized, including 1,320 in January 1996. Issues involving investment in the Ukrainian economy by European countries were also discussed. He called on European countries to allow Ukrainian goods free access to the European market.

Ukraine: Kuchma Adviser Emphasizes Labor Productivity

WS0804141096 Kiev KIYEVSKIYE NOVOSTI in Russian 29 Mar 96 p 4

[Interview with Professor Volodymyr Cherevan, Ukrainian presidential adviser and general manager of the International Institute of Market Relations and Entrepreneurship, by Oleksandr Maslov; place and date not given: "Volodymyr Cherevan: 'Produce, Produce, and Produce....'"]

[FBIS Translated Text] **Perhaps quite soon we will live much better. A new postulate has been adopted in our country which, when summarized, says the following: Consistency is priority No. 1 in economic reform.**

In what can this consistency be found and how can it be expressed? First of all, this consistency can be specified when a criterion to assess the results of economic development is found. This is the opinion of Doctor of Economic Sciences, Professor Volodymyr Cherevan, the Ukrainian president's adviser and general manager of the International Institute of Market Relations and Entrepreneurship.

[Maslov] It is indisputable that reform must be consistent, that progress must be based on financial stabilization, that there must be new approaches toward tax policy, and that the state must pursue protectionist policies regarding the revival, development, and protection of the social sphere — and a lot of other things are needed as well. But what price must be paid to achieve results? Is the effectiveness of our efforts high? The most important question is: How can economic and social results be assessed to draw truly objective conclusions? Some kind of conditional stabilization has been achieved....

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[Cherevan] Yes, considering resources that are at our disposal. These resources are known: They are credit lines.

But are these means sufficient today, and will they be sufficient in the future? According to U.S. economists' estimates, only a 1- percent reduction in inflation cost them $200 billion. This is the reason why our passive money and financial stabilization resulted in similar passive economic results. Yes, this model has been justified only partially. But it is obvious that it functions unsatisfactorily. This model cannot explain why the drop in production continues, why we still can observe an increase in the inflation rate, an increase in prices, and a decrease in real living standards — which are already low. If we continue to try to curb inflation — through current methods — at least at its current level, we will fail to set up a foundation for the stable reduction of the inflation rate in the future. The economic and social consequences, not to mention political ones, of relying on this model prove to be quite negative.

[Maslov] Methods of directly influencing the inflation rate are ineffective. Which method could be taken as a basis? Does a relevant method, a lever exist?

[Cherevan] But it is a known one. It comprises three components — profits, labor productivity, and the depreciation [of assets] — on which, in fact, the market economy is based. The key component, however, is labor productivity. It is necessary to realize clearly that in Ukraine there cannot be stable economic growth without inflation, on the condition that we upgrade our labor productivity and deal actively with profits — which are created only by an increase in labor productivity. Today we are looking for reasons to explain such meager results of our great effort in the area of macroeconomics. Look, the absolute level of labor productivity in Ukraine is now one of the lowest among the CIS countries, as well as across the entire post-USSR territory. The increased attention of the state toward financial stabilization, including privatization and structural transformation, is not an aim in itself. In fact, it implies a desire to achieve an increase in labor productivity. Here it is, our assessment criterion! It is our native indicator, known to everyone. Not so long ago, our enterprises worked very hard to achieve it. Why are we not paying close attention to it today? Another thing is that its potential could not be manifested fully in our country outside the framework of market relations. But in the process of creating market relations, we have completely forgotten about it.

[Maslov] For many people, this emphasis may sound quite unexpected....

[Cherevan] Why? No Western country has an enterprise managed without this indicator! No country in the West is implementing any trend in its state economic policy without considering this indicator, in combination with obligatory planning and forecasting. Anyway, we are unique in Europe, and perhaps we are unique in Asia as well.

It is no accident that when Ronald Reagan developed his administration's policy he said that labor productivity was the main means to resolve economic difficulties. It is no accident that the U.S. Government is spending some $2 billion annually for programs which are directly connected with labor productivity. Based on her tough inflationary policy, Margaret Thatcher placed a producer in such conditions that only companies which were able to increase their labor productivity survived. [A policy which includes the factor of labor productivity] is also a monetary policy which has forced managers to introduce serious changes — aimed at labor intensification — in the organization of labor. [This policy can also be regarded] as a consequence of a strict realization of an axiom — according to which the social desires of society must correspond to its economic opportunities. In all Western models, the increase in social spending is rigidly connected to an increase in labor productivity.

[Maslov] One can also find some examples in our production sector to prove this law. For example, given the tough conditions of the current crisis, the Petrovskyy machine-building factory in Donetsk has been able to relaunch its production and begin to produce fireproof and highly productive transporters for mines, comparable with the best world samples. The reason for their success lies in the fact that the enterprise's director Viktor Bryum, along with his team of managers, placed the principle of labor productivity — in its broadest sense — as the basis of the model for reform....

[Cherevan] This is only a singular case, although it is very convincing. But the general tendency is the opposite. This indicator — labor productivity — is not only ineffective in Ukraine, but even more often is not even considered. There is, however, something to calculate.

For example, a 1-percent drop in production triggers a 2-percent increase in unemployment. This indicator is known all over the world, and has been repeatedly been proven by practice. Last year alone, the drop in production in Ukraine stood at 11.2 percent while the level of unemployment did not change. Having preserved the previous level of unemployment, we paid

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a very high price for it: Labor productivity, and hence, profits were sizably reduced.

By curbing profits, we cannot create other effective jobs and cannot start the process of investments: We are observing a decline in investment, which is very alarming. Due to this, we are losing domestic and foreign markets, are forced to reduce the social sphere, and are creating not a middle — as is our aim — but a poor class. Today, the wages of the great majority of the working population are considerably lower than the poverty level that is officially recognized in the world.

Undoubtedly, it is precisely the low level of labor productivity that is curbing real economic growth, leading to the reduction in enterprises' profitability, and bolstering the inflation rate. The management of this relationship — reducing the inflation rate at the expense of an increase in unemployment — is the basis of all antiinflationary measures of practically all market economy countries and is characteristic of all transitional economies across the post-USSR territory. It is precisely labor productivity that balances the main production factors. The balance of these factors is a characteristic feature of our macroeconomic objectives.

As you can see, the importance of labor productivity is very high under any conditions. If we again cease to orient ourselves toward it, we then will have to answer the question of whether Ukraine will be able to avoid a full catastrophe at the next twist of inflation, and of whether this inflation will be sufficiently smooth to make it possible for our society to avoid marking time on the path toward economic reform.

It is necessary to realize that the Ukrainian economy cannot exist without inflation until we increase our labor productivity. Therefore, the study of processes characterizing the dynamics of labor productivity and the development of a relevant economic policy at the macro- and microeconomic levels is very important for Ukraine in theoretical and practical aspects, as well as for the deep understanding of current economic processes and for the development of new tactics in the organization and management of production.

[Maslov] What about the mechanism for realizing this indicator?

[Cherevan] It must be implemented through a government program stimulating the increase in labor productivity, which is similar to the structural program which has already been drafted. But the labor productivity program is more constructive. Perhaps it is necessary to set up a national consultative committee for labor productivity that will report to the president.

[Maslov] What will this committee deal with?

[Cherevan] It will unite the efforts of entrepreneurs, producers, economists, and the government to resolve problems linked to the increase in labor productivity. It must bolster the development and implementation of common tactics in the economic area to encourage capital investment, activate the investment process, and so on.

Simply put, one must fight not against inflation, but for high labor productivity. Then everything will change.

Ukraine: Ministry Approves New Market Trading Regulations

WS0804093996 Kiev INTELNEWS in English 0125 GMT 8 Apr 96

[FBIS Transcribed Text] Kiev, April 7. The Foreign Trade Ministry has approved new regulations allowing both official persons and individuals to sell their goods on the open market, according to ministry spokesman Oleh Paniuta.

Those who sell have to pay fee for each day of trade at markets, the amount of which is to be fixed by local councils. The market fee is waived for agricultural enterprises, trade enterprises, public food service, cooperatives, and citizens who lease market locations under contract.

The rules provide that traders should have corresponding licenses or certificates.

Prohibitions include the sale of firearms, gas weapons, military goods and uniforms and underwear with the stamps of organizations and enterprises. Other taboo items include goods for children under three, precious metals and gems, pornography and salted and marinated mushrooms, and endangered plants, herbs and fish. Individuals may not sell bread and bakery, alcohol and tobacco products.

Ukraine: Investment Contest To Aid Chernobyl Announced

MK0604071296 Moscow NEZAVISIMAYA GAZETA in Russian 5 Apr 96 p 3

[NEGA report]

[FBIS Translated Text] A month-long competition of [investment] projects entitled "Chernobyl 1986-1996" will be held in Ukraine. It has been sponsored by the republic's Economy Ministry, Ministry for the Protection of the Population From Consequences of the Accident at the ChAES [Chernobyl Atomic Power Station], and "Odessa Trading Corporation." Eligible are investment projects from Ukrainian and foreign legal entities. Projects should provide for cleaning up radioactive pollution in the "no man's zone" around the ChAES, preventing the spread of radiation to other regions, enhancing the station's operating efficiency, and aiding the population.

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Belarus

Belarus: Parliament Delegation To Meet With Yeltsin, Chernomyrdin

WS0904085296 Minsk Radio Minsk Network in Belarusian 0300 GMT 9 Apr 96

[FBIS Translated Text] An official visit to Moscow by a Belarusian parliamentary delegation headed by Supreme Soviet Chairman Syamyon Sharetski is beginning today.

In the course of the visit, which will last until 12 April, it is planned to sign a joint agreement between the chairmen of the Russian Federation Federal Assembly's chambers and the Belarusian Supreme Soviet. Also expected are meetings with Russian Federation President Boris Yeltsin, Prime Minister Viktor Chernomyrdin, State Duma Chairman Gennadiy Seleznev, Federation Council Chairman Yegor Stroyev, and Moscow Mayor Yuriy Luzhkov.

On 10 April, Syamyon Sharetski will address a plenary session of the State Duma. The Belarusian delegation members will meet with leaders of certain State Duma factions and representatives of the Belarusian community, and will visit an agricultural company in Moscow Oblast.

Belarus: Lukashenka Arrives in Vienna for Chernobyl Forum

WS0904075196 Minsk Radio Minsk Network in Belarusian 0300 GMT 9 Apr 96

[FBIS Translated Text] A Belarusian state delegation headed by President Alyaksandr Lukashenka arrived in Austria for a working visit during which they will participate in the international conference "A Decade After Chernobyl", which is scheduled to begin today. It is expected that the leader of our state will address the conference. Also planned is a meeting with Austrian Federal Chancellor Franz Vranitzky.

Belarus: Minsk To Tighten Borders With Baltics

LD0804212896 Moscow NTV in Russian 1800 GMT 8 Apr 96

[From the "Segodnya" newscast]

[FBIS Translated Text] Syamyon Sharetski, the chairman of the Belarusian Supreme Soviet, leaves Minsk for an official visit to Russia tomorrow. Strengthening the external frontiers of the new commonwealth will be one of the topics of the talks.

Against the background of the military and political rapprochement of Moscow and Minsk, the strengthening of the Belarus-Baltic frontier is acquiring more and more significance and that question will be resolved evidently very soon.

In the opinion of Nikolay Kokhan, deputy commander of the Belarusian frontier troops, this is among the primary questions today.

[Begin recording] [Kokhan] The frontier with the Baltics will be strengthened, naturally.

[Unidentified correspondent] Why is that?

[Kokhan] It will be strengthened, that is, a normal frontier defense infrastructure will be set up. We do not yet have this at the moment.

[Correspondent] The external frontiers of Belarus have in many ways turned into the external frontiers of Russia. The western and northern frontiers of the republic have essentially become the first outpost of the frontiers of western Europe, an outpost guarded at the expense of the Belarusian tax-payer and with semi-Soviet laws called upon, in the old manner, not to let people out rather than to let them in, unlike civilized countries of the world where the opposite holds true — that is, there is strict entry but simplified exist procedures. The solution, or even the alleviation of this problem, in the opinion of professionals, lies within the remit of interstate agreements.

[Kokhan] Taking into account the fact that illegal migration is directed toward the West we already have agreements and plans for the use of technology from the United States. And there is also a preliminary agreement on a meeting with spokesmen of the German frontier services.

[Correspondent] Moscow has already assumed half of the expenditure on providing with facilities the Belarus-Baltic frontier. An operational Russian-Belarusian group is being set up in the headquarters of the republics frontier troops. [end recording]

Moldova

Moldova: Snegur Orders Prime Minister to Fire Defense Minister

LD0804163196 Moscow INTERFAX in English 1435 GMT 8 Apr 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Mircea Snegur has instructed Prime Minister Andrei Sangheli "to dismiss General Pavel Creanga from the post of defense minister and appoint another person to this post by April 8."

In a letter to the prime minister, published in Chisinau, Snegur writes that "Moldova's competent bodies have revealed numerous instances of corruption in the armed forces over the past few years." "Creanga has not taken

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proper measures to prevent corruption in the armed forces," writes Snegur.

On April 4, the Constitutional Court qualified the president's decree on dismissing Creanga as anti-constitutional, as it had not been coordinated with the prime minister.

Presidential advisor Viktor Zosu told Interfax that "corruption in the state bodies has gained a moral victory."

The decision of the Constitutional Court "leads to the triumph of corruption which undermines the foundations of the state system," he said.

"As defenders of the law, we are pleased that the principle of supremacy of the Constitution is being implemented," said Zosu. "But we must think why the law-based state which we are trying to build is so inefficient in combating corruption," he said.

He said he did not mean personally Defense Minister Creanga. "However, although the Audit Chamber has revealed serious financial violations in the defense ministry, no measures have been taken to improve the situation," he said.

A group of officers also opposed the decision to reinstate Creanga in the post of defense minister.

The Defense Ministry's press service told Interfax that 100 officers of the Defense Ministry and of the Chisinau garrison had sent an appeal to Commander-in-Chief, President Snegur, parliament chairman Luchinskiy and Prime Minister Sangheli, which says that "Creanga can no longer head the Defense Ministry."

"The army remains uninvolved in politics and faithful to the Constitution, the military oath and rules, and continues to perform its mission. However, its normal work was interrupted by the recent developments," says the document.

The officers stated that although they did not doubt the decision of the Constitutional Court, they would like the Moldovan leaders to solve the problem as soon as possible, because the Constitutional Court's decision had aggravated the situation in the army, putting the officers in an ambiguous position.

They also stated that they had to observe at once the decision of the Constitutional Court on reinstating Creanga, and the commander-in-chief's order. The Moldovan officers think that "pending the solution of the problem by the Moldovan leaders, Creanga must be suspended from his duties."

Earlier, General Creanga had stated in the press that he was ready to resign if the Constitutional Court reinstated him in his post.

Moldova: Press Comment on Snegur-Creanga Controversy

AU0804190696 Chisinau BASAPRESS in English 1930 GMT 6 Apr 96

[FBIS Transcribed Text] Chisinau 06/04/1996 (BASA-press) — In the wake of the recent Constitutional Court (CC) ruling that the defence minister dismissal was unconstitutional, some Moldovan news organs suggest that the often petitions to the CC might reduce the credibility of the Constitution.

"If one considers what the Constitutional Court has debated until now, he can see many parliamentary acts and decisions have not worked out well," according to the commentator of MOMENTUL, Vsevolod Ciornei.

The Russian-language weekly MOLDAVSKYE VEDOMOSTIY said the balance between dissenting and favoring votes cast by Constitutional Court judges (the scale was tipped by the vote of the CC chairman) denotes that there is no unequivocal interpretation of the Constitution in the CC itself. "The fact that different interpretations of constitutional articles split the CC into two halves arouses doubts about the perfection of the Constitution," according to MOLDAVSKYE VEDOMOSTI. General Creanga has found himself in the most embarrassing situation because he has realized that he was used as a pawn by contending political groups. "In theory, Creanga may command the Defence Ministry," but officers said Creanga cannot be minister since corruption accusations cannot be overlooked under the pretext of the Constitutional Court ruling. According to MOLDAVSKYE VEDOMOSTI, to overlook the checks conducted in the Defence Ministry means to favor corruption.

TINERETUL MOLDOVEI publishes an article by Andrei Vartic, one of the Moldovan Party of Revival and Conciliation leaders, who wonders "So who violated the Constitution? Was it the president who dismissed a corrupt and incompetent minister or was it the premier who made no suggestions to dismiss this corrupt and incompetent minister?"

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Kyrgyzstan

Kyrgyzstan: Akayev Backs Yeltsin for New Presidency

LD0804100796 Moscow ITAR-TASS in English 0910 GMT 8 Apr 96

[By Alisher Niyazov]

[FBIS Transcribed Text] BISHKEK April 8 (ITAR-TASS) — Kyrgyz President Askar Akayev backs Russian leader Boris Yeltsin for a new term of presidency saying this would promote reforms in Russia and CIS integration.

"The reelection of Boris Yeltsin to the post of the head of the Russian state would promote the stable continuation of democratic reforms in Russia and the policy of further integration of the countries of the Commonwealth (of Independent States) which is currently being implemented by the Russian president", the leader of the Central Asian republic told Tass on Monday.

Akayev admitted that "every leader makes mistakes and Boris Yeltsin also has them".

However, "both the personal qualities of the current Russian president and his qualities of the head of state, the high potential of which I once again saw during my official visit in Moscow, make me a convinced supporter of his reelection", Akayev said.

He compared Yeltsin to czarist time reformer Petr Stolypin and stressed that the Russian leader wants to implement his reforms even faster.

"I believe it is most important for Russia to live without shocks for a certain period of time. If Russian premier Petr Stolypin asked twenty years for that, Boris Yeltsin told me during our conversation in Moscow that he would be satisfied with even a half of the time", Akayev said.

The Kyrgyz president welcomed the new integration between some former Soviet republics and said he would wait and see how Russia and Belarus succeed in moving to a single currency.

Kyrgyzstan, Kazakhstan, Russia and Belarus signed a quadripartite integration agreement and removed "artificial customs barriers", according to Akayev who added that the bilateral Russian-Belarusian integration agreement put the two countries on the top of the CIS integration process as they are planning to move towards a single currency by the end of 1997.

This will be a very complicated task, according to Akayev. "We all remember how the rouble zone collapsed at its time. It would be very difficult to restore it. However, if the experiment succeeds, it would surely serve as an example for other states", the Kyrgyz leader said.

Kyrgyzstan: Banking Sector To Receive $45 Million Loan From World Bank

LD0504192296 Moscow INTERFAX in English 1746 GMT 5 Apr 96

[FBIS Transcribed Text] BISHKEK, April 5 (FIA-INTERFAX) — The World Bank plans to extend a $45 million low-interest loan to Kyrgyzstan to revamp the country's banking and financial system, Kyrgyz National Bank Governor Marat Sultanov said at a news conference in Bishkek Friday.

The money will be given within the scope of the FINSAK program to provide financial and technical assistance to Kyrgyzstan. The program was approved at the conference of donor countries for Kyrgyzstan in Bishkek on April 5, 1996, which involved representatives of the World Bank, the International Monetary Fund, the European Bank for Reconstruction and Development and the Asian Development Bank.

The program in particular provides for the reorganization of commercial banks in order to create competitive financial institutions in the country, Sultanov said.

The Kyrgyz banking sector is now dominated by former state-owned banks, which comprise about 80 percent of the bank capital. The development of new financial structures is impeded by "the extreme insolvency of former monopoly banks," Sultanov said.

Tajikistan

Tajikistan: Rakhmanov Urges Interaction of CIS Law Enforcement Bodies

LD0504200996 Moscow INTERFAX in English 1504 GMT 5 Apr 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Emomali Rakhmanov has called for cooperation between Commonwealth law enforcement bodies for the sake of efficient measures against crime, especially the organized one.

"Life has show it is hard to counteract crime without joint well- coordinated measures," the president told those at a meeting of Commonwealth security bodies in Dushanbe Thursday.

The Tajik leader tied the need for close interaction between law enforcement bodies with the tendency of deeper integration of the Commonwealth. He promised

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to do his best for "consolidation of business-like efficient relations between Tajik security bodies and those of other Commonwealth member-states."

Commenting on the crime situation in Tajikistan, the president said it worries him a lot despite much work done to combat crime. He noted objective reasons for deteriorated social and political situation, including the civil war of 1992 which was followed by destructions, an economic crisis and poor living standards. "We lived through a difficult period in formation of our statehood," said Rakhmanov.

The country is working to overcome difficulties. Constitutional bodies of all power branches have been formed, negotiations with the opposition, including the irreconcilables, are underway, and measures against the economic crisis are being taken, said Rakhmanov. An agreement on public accord was signed last month.

In the opinion of Rakhmanov, the authority of Tajikistan is growing on the international scene.

At the same time, measures against crime remain a priority of the republic. Rakhmanov noted the problem of terrorism, which resulted from political confrontation.

The Tajik territory is being used for criminal purposes by arms and drug dealers related to international drug syndicates. The president noted considerable difficulties in the struggle against organized crime, which are caused by the grave economic situation and the shortage of highly-skilled personnel at law enforcement bodies.

He reaffirmed Tajik interest in further deepening of cooperation with Commonwealth secret services and security bodies.

Tajikistan: President Signs Edict on Security Council

LD0804104296 Moscow ITAR-TASS World Service in Russian 0823 GMT 8 Apr 96

[By ITAR-TASS correspondent Galina Gridneva]

[FBIS Translated Text] Dushanbe, 8 Apr — The president of Tajikistan has signed an edict approving a regulation on the Security Council, which was set up in January. Under the document, the country's President Emomali Rakhmanov will head it. The chairman of the national parliament, a deputy prime minister, and the secretary of the Security Council are the Security Council's permanent members ex officio.

Speaking of the edict, presidential spokesman Zafar Saydov said in an interview with ITAR-TASS that the Security Council was a consultative body, which would draw up decisions on the main directions of political and military policy; ensuring state security, territorial integrity, and state sovereignty; and putting the constitutional order in the country into effect.

The regulation on the Security Council came into force with the signing of the edict on 6 April.

Tajikistan: Guards Foil Armed Militant Attempt To Enter Tajikistan

LD0904114796 Moscow INTERFAX in English 0908 GMT 9 Apr 96

[FBIS Transcribed Text] MOSCOW, April 9 (INTERFAX) — An attempt by a group of armed militants to break through from Afghanistan to Tajikistan was foiled by Khorog border unit Monday.

Several militants were destroyed and the rest driven back to Afghanistan during the short outbreak of fighting, said the Russian Federal Border Service. None of the border guards was hurt.

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Azerbaijan

Azerbaijan: Foreign Minister, Russia's Kazimirov Discuss Karabakh Talks

NC0804173496 Baku Radio Baku Network in Azeri 1600 GMT 8 Apr 96

[FBIS Translated Text] Today, Azerbaijani Foreign Minister Gasan Gasanov received Vladimir Kazimirov, Russian president's plenipotentiary representative at the talks for the peaceful resolution of the Karabakh conflict.

During the meeting, it was noted that no progress at all was achieved during the peace talks.

Gasan Gasanov also stated that the proposals advanced by Azerbaijan for the peaceful solution to the conflict, including the granting of a high autonomy status to Nagorno-Karabakh within the structure of the Azerbaijani Republic, should prod Armenia to taking equal steps. Regrettably, the lack of corresponding constructive proposals from the Armenian side impedes the process of talks.

The minister also noted that in addition to stepping up their efforts, the mediators should try to find a more acceptable position.

Russian Ambassador to Azerbaijan Aleksandr Blokhin was also attending the meeting.

Azerbaijan: Aliyev Voices 'Dissatisfaction' to Russian Envoy Kazimirov

NC0804191496 Baku TURAN in English 1405 GMT 8 Apr 96

[FBIS Transcribed Text] Baku/08.04.96/TURAN — Today president of Azerbaijan Geydar Aliyev received a special representative of Russia's President for talks on Nagorno-Karabakh, representative of Russian co-chairman of the OSCE Minsk conference Vladimir Kazimirov.

Kazimirov expressed regret that the second anniversary of cease-fire will be celebrated soon, but there is no progress in signing Major Political Agreement. "We have been trying to rapproach the positions of the parties for two years, but we obtained nothing, as the parties to the conflict are on the positions "all or nothing". On the results of the Moscow round of the Armenian-Azeri talks the Minsk group adopted an appeal to the effective co-chairman of the organisation in which concern over the situation is expressed. All parties are not ready to constructive dialogue and search of compromise, the document reads.

"We address to you with request to analyse the process and to take steps to make it more effective," Kazimirov said. He appreciated the activity of the Azeri side which proposed to include military experts of the parties to the next round of talks.

Geydar Aliyev in turn expressed dissatisfaction with wording that "Minsk group was not pleased that the parties were not ready." Azerbaijan is always ready to compromise in case of settling. "We are ready to grant to Nagorno-Karabakh the highest status of autonomy, is not that a compromise?", Aliyev said. "But we cannot agree with things that run counter our national interests and world law. We cannot grant the Nagorno-Karabakh status of independent state," the president said. "Position of Boris Yeltsin, expressed at the press-conference January 19 coincides with ours and means granting of high autonomy to Karabakh," Aliyev noted.

Similar compromises were on other questions too, in particular on Lachin. "However, we will not agree with variant which abuses our interests," Aliyev said. He expressed dissatisfaction with position of Kazimirov, according to which the parties are equally guilty in the conflict.

Azerbaijan: 'Furor' Breaks Out Over Reports of Links With Dudayev

MM0904102196 Moscow KOMSOMOLSKAYA PRAVDA in Russian 9 Apr 96 p 2

[Report by Svetlana Turyalay: "Scandal: Why Russian Air Defense Forces Did Not Shoot Down 'Bird' Over Azerbaijan"]

[FBIS Translated Text] A furor is breaking out in Azerbaijan over reports in the Russian mass media of the republic's allegedly close links with Dudayev's regime. They referred, in particular, to Azerbaijani airfields from which Chechen aircraft are carrying out bombing raids on Chechen villages. These accusations provoked a profoundly negative response from Azerbaijan.

There was particularly brusque comment from the Defense Ministry. It is, after all, an elementary task for Russia to keep track of possible overflights by Dudayev's bombers. If only because the region's largest radar, the Gabalinskaya radar, serviced by the Russian military, is in Azerbaijan. But that is not all. In order to dive-bomb Chechnya, the aircraft have to fly over Dagestani territory. Why should the Russian Air Defense Forces not shoot down an aircraft that had violated Russian airspace?

The most alarming thing is that the furor over the unidentified flying objects has broken out at a time when Russian-Azerbaijani relations had taken a turn for the better.

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Azerbaijan: Letter From Tehran Warns of Plans for New Government

NC0804190696 Baku TURAN in English 1558 GMT 8 Apr 96

[FBIS Transcribed Text] Baku, 08 April, 1996, TURAN — Leader of the Committee National Liberation Movement of South Azerbaijan [northern Iran] Piruz Dilenchi sent a letter to chairman of the Party PFA [People's Front of Azerbaijan] Abulfaz Elchibey. The letter reads that "according to the information from Tehran, Iran plans to bring to power in Azerbaijan a new government, of course, without Geydar Aliyev."

For this purpose representatives of Iran are going to start secret talks with Elchibey, the letter reads.

Piruz Dilenchi hopes that Elchibey will remain the opponent of Iran and will not agree to make any agreement with Tehran.

First Deputy Chairman of the Party PFA Ali Kerimov said that the cooperation of Abulfaz Elchibey with Tehran is excluded.

Afshar Suleymani, Deputy Ambassador of Iran to Azerbaijan said this information was "groundless." He noted, that national liberation movement of South Azerbaijan was an invented organisation. He excluded the possibility of any talks with Abulfaz Elchibey.

Georgia

Georgia: Shevardnadze Gives Weekly Interview 8 Apr

LD0804125296 Tbilisi Radio Tbilisi Network in Georgian 0509 GMT 8 Apr 96

[Regular weekly studio interview with Georgian President Eduard Shevardnadze by Nato Oniani in Tbilisi — live]

[FBIS Translated Excerpt] [Oniani] Mr. President, you paid an official visit to Turkey last week. A joint declaration and a number of economic agreements were signed during your visit. What is the significance of your Turkish visit against the background of current developments in Russia?

[Shevardnadze] Good morning. My visit to Turkey was effective from all points of view. We can really speak of new standards of relations between the two countries and a new level of trust which I mentioned back in Ankara, as you may recall. This is the best example of how links between neighboring countries are to develop regardless of their size. This was a dialogue of really equal partners, a very interesting dialogue, and President Demirel was a principal contributor to this. At the same time, the visit was a logical sequel to the establishment, development, and broadening of trade and economic relations between the two countries.

I would not elaborate on the political aspects of the visit because you have covered the topic well and comprehensively in your programs. I would emphasize the trade and economic relations, which are of special significance for revealing Georgia's potential, a potential of a transit country on the basis of the work done. Specific measures to build a flexible infrastructure in general and in transport and communications in particular, which were outlined during the talks, create fairly good conditions for implementing a project of transporting natural gas and oil from the Caspian Sea basin to international markets via Georgia and Turkey, as well as transporting goods from Central Asian countries, Iran, and other countries toward the West and back.

We signed intergovernmental agreements and protocols on cooperation in communications, customs checkpoints, science and technology, information, and other fields, as well as on the issue of joining railway, power engineering, and other networks.

Turkish participation will have a significant effect on the development and joint use of sea ports, airports, railways, and highways. Turkey will make a profound contribution by helping Georgia to have adequate electric power supply, namely by drawing up a joint program in this sphere.

You may recall that Turkish business circles expressed a desire and readiness to participate in the abovementioned projects. I cannot help mentioning the Turkish side's consent to restructure our credits. The Turkish parliament will have to pass a final resolution on the issue. The Turkish leadership, I mean the president and the current as well as the future prime ministers, have confirmed that Turkey is prepared to allocate another special purpose credit of $100 million aimed at implementing projects. Cooperation between the two countries in developing tourism and attracting foreign investments will also expand. Thus, the visit was really effective.

[Oniani] During the visit, it was clear that there are warm and special relations with Turkey — we know that protocol does not compel a president to meet and see off another president — and particular courtesies characteristic of oriental peoples were displayed. Do you think that will cause any complications in relations with Russia, another important country of the region and our neighbor? Since we mentioned Russia, may I recall that Russian Defense Minister Pavel Grachev visited Georgia last week. Will you please say a few words about this visit, too?

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[Shevardnadze] First, I have to agree with you that the visit proceeded in an extraordinarily remarkable atmosphere, with warmth, friendliness, and benevolence.

Now to your question. Friendship and neighborly relations with Turkey cannot impede the development of relations with Russia. The three countries have many common interests, especially concerning peace and stability in and around the Caucasus. The stronger and the more reliable Georgia's relations with Russia and with Turkey, the more active will be our role in the struggle for a peaceful Caucasus. We can by no means forget that our primary task is the development of truly fraternal relations with our closest neighbors — Azerbaijan and Armenia. [passage omitted]

As for the visit by Russian Defense Minister Pavel Grachev, you have witnessed the high standard of the visit, during which interests of both countries were considered. I am confident that this visit will promote Georgia's defense potential, strengthen and improve our armed forces, and help consolidate stability in the Caucasus.

[Oniani] As you have already said, your visit to Turkey was not only politically significant; it also resulted in the signing of major economic agreements, for instance, an agreement on credits and others. This is obviously the result of economic reform which, though with certain difficulties, is being carried out in our country, is it not?

[Shevardnadze] A few words about the processes under way in the economy. First, I would like to tell you that Georgia has already confirmed its image as a reforming country, and this means quite a lot for the development of our country in the long run. Now, some concrete data.

The beginning of the current year showed a notable normalization of the economic environment, and as a consequence, the functioning of the economy has improved. In addition to the successes in industry, about which I spoke last week, we have to note the results obtained by the Sakmetalurgia [Georgian metallurgy] holding company. You know that it is a large economic amalgamation. The output of the Rustavi iron and steel plant and the Madneuli ore mining and processing enterprise in the first quarter is valued at 11.5 million lari, 27 percent higher than during the same period of the previous year. One and a half times more rolled metal was produced than last year. The production of steel pipes trebled. Five enterprises of the Samtokimia [chemical engineering and mining] holding company were put into operation in the fourth week of March. Hence, eight of the 10 enterprises of the holding company are being run at the moment. Despite a significant lag in January and February, the enterprises of the holding company recovered in March and produced two and a half times more than during the corresponding period of the previous year. [passage omitted: other production results in Tbilisi]

According to Sakenergo [Georgian energy], an increase in electric power output has been observed since the beginning of April. The daily output of electricity has exceeded 17 million kWh; this compares with 14-15 million kWh in March. In addition, the standards of the produced electricity have improved. [passage omitted]

The first quarter plan of tax revenues has been fulfilled. The value added tax plan has been overfulfilled by 20 percent. Income tax revenues from individual persons have made 107 percent of the plan. Also overfulfilled were taxes on land, property, and the use of natural resources. [passage omitted: districts and towns which did well and those lagging behind]

Along with a successful income tax collection, there were certain difficulties in implementing the state budget through other taxes and fees, namely grants and nontax revenues. I would like those concerned to pay special attention to what I am about to say, because I am sure they are listening. According to a report by the Finance Ministry, the income from selling and processing wheat and flour received under foreign grants was almost 5 million lari short of the plan. [passage omitted: names of mills and bakeries in arrears]

[Oniani] Last week the Georgian Parliament debated the issue of Abkhazia. You are scheduled to address the republic's supreme legislative body on 10 April. As you were present at the debates, would you comment on them? Another event of last week was that refugees from Abkhazia gathered and called for decisive action.

[Shevardnadze] More dramatism and more radicalism was expected during debates on the issue of Abkhazia in the parliament. To tell you the truth, I am quite happy that most parliamentary deputies had a sound and realistic grasp of the situation. The ultimate picture will indeed become clear at the next sitting, that is the day after tomorrow. I hope that when it has given a fundamental appraisal of all that has happened the parliament will not slam the door but will continue to seek realistic ways of settling the conflict.

I welcome the speeches of those who attempted to acknowledge their own sins, that is to recognize errors made by the Georgian authorities or the Georgian side, as it is commonly named. I agree with those deputies who believe that instead of speaking of the Abkhaz-Georgian conflict, we should speak of a political conflict in Abkhazia, which resulted in ethnic cleansing and genocide of Georgians. Incidentally, this is how the United Nations regards the conflict, the event. Mr.

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Yeltsin also used this term — the conflict in Abkhazia. The assessment of the event is very important now.

Now, a few words about the sanctions. As yet I have no detailed information on the reaction to them in Abkhazia, but I know that there is a bitter response to the sanctions imposed on Abkhazia in accordance with a decision taken at the CIS summit.

[Oniani] And you got Turkey to agree to them during your visit?

[Shevardnadze] Yes. Incidentally, without any prompting on my part the Turkish leaders said that every ship carrying humanitarian aid across the Black Sea will be inspected in the port of Poti, of course after advance notification and in reasonable numbers, and will be able to enter Abkhazian ports only when permission from us has been obtained. I have to say that we do not intend to impose a severe blockade. We realize that the remaining population needs minimum of service, essentials. We will try in the future to be more generous than others are toward us. However, it is mandatory to get a permit from the Georgian authorities as it was agreed upon at the CIS summit.

There are currently certain difficulties with regard to communications facilities. I have to say that before Russia cut off and prohibited telephone and other communications through lines passing across Russia, we had taken appropriate measures to ensure that communications from Tbilisi to Sukhumi and all other towns and districts worked normally. There now exist working communications facilities, and Sukhumi can speak to Moscow, New York, and Washington — but only via Tbilisi. This is what I wanted to make clear.

A couple of words about your question concerning the congress of refugees. The congress of refugees is a significant event. Many interesting ideas were raised there. I watched the developments closely, although I was unfortunately unable to attend because of a severe shortage of time. I am aware of everything that was said there. The fact that interesting ideas were aired there will help parliament take the most rational decision. I cannot rule out the possibility that when the congress is over I will meet with a group of congress delegates and discuss ways of implementing their decisions. I know that [Georgian Parliament Chairman] Zurab Zhvania intends to go to the congress, and the authorities will be able to have an idea about discussions held there.

[Oniani] Lithuanian President Algirdas Brazauskas is arriving in Tbilisi in a few days' time. Actually, Lithuania has been advancing along the path similar to that of Georgia. Even the change of authorities can be said to be similar. Georgia and the Baltic states have few relations at present, unfortunately. Relations between them cannot be regarded as very close. Can we say that Brazauskas is taking this step in the light of recent events in Russia?

[Shevardnadze] We have invited Mr. Brazauskas to visit Georgia several times, and he has now found an opportunity to come. His visit is remarkable for various reasons. First, as far as personal relations are concerned, we have been friends and kindred spirits for a long time. Second, Georgia's relations with the Baltic republics have been mothballed, though we have had lots of things in common with these traditionally friendly countries. At the same time, Lithuania is one of the advanced states with regard to reforms and to study its experience will do us good. It will also be useful to balance the views of the states' leaders on current world processes. Georgia welcomes the Lithuanian president's visit to our capital city. [passage omitted: marking memorial days in April]

Georgia: Shevardnadze Discusses Transport Corridor With Uzbeks

LD0804162696 Tbilisi CONTACT INFORMATION AGENCY in Georgian 1310 GMT 8 Apr 96

[FBIS Translated Text] Tbilisi—Georgian President Eduard Shevardnadze and the Minister of State Niko Lekishvili received a visiting Uzbek delegation today.

It was stressed at the meeting that the Tashkent-Poti transport corridor had a great future, all the more that it would include interests of two other countries — Azerbaijan and Turkmenistan.

Shevardnadze said that the corridor was also interesting from the viewpoint that it would function alongside with the already existing routes and would fulfil the role of a guarantor of stability and help widen and strengthen foreign economic links.

The Georgian president also stressed that the EU's growing interest in Georgia and its practical participation in implementing projects of reconstruction of the ports of Batumi and Poti would make its cooperation with Georgia more fruitful.

It was also mentioned at the meeting that the transit of cargoes would start in May and every detail of cooperation would be perfected in the process of work.

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